

1905.  
NEW ZEALAND.

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# CROWN LANDS:

REPORT OF THE ROYAL COMMISSION ON LAND-TENURE, LAND-SETTLEMENT, AND OTHER  
MATTERS AFFECTING THE CROWN LANDS OF THE COLONY: TOGETHER WITH MINUTES  
OF EVIDENCE.

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*Presented to both Houses of the General Assembly by Command of His Excellency.*

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1803

NEW ZEALAND

# CROWN LANDS

THE ROYAL COMMISSION OF LANDS AND FORESTS  
REPORTING THE CROWN LANDS IN THE COLONY  
OF NEW ZEALAND

Presented to the House of Representatives of the Colony of New Zealand



## COMMISSION.

PLUNKET, Governor.

To all to whom these presents shall come, and to Robert Hall, Esquire, of Auckland; William Wilson McCardle, Esquire, of Kawhia; John Moore Johnston, Esquire, of Palmerston North; William Brooklyn Matheson, Esquire, of Rongomai; Walter Scott Reid, Esquire, of Wellington; James McKerrow, Esquire, of Wellington; George William Forbes, Esquire, of Linwood; Donald McLellan, Esquire, of Duntroun; John Thomas Paul, Esquire, of Dunedin; John Anstey, Esquire, of Otipua: Greeting.

WHEREAS, by a resolution passed by the House of Representatives upon the seventh day of September, one thousand nine hundred and four, it was resolved that, with a view to further encouraging and promoting land-settlement and removing any anomalies and disabilities, if found to exist, it is advisable that inquiry should be made in respect to the constitution of Land Boards, the tenures upon which lands may be obtained and occupied, and whether Crown tenants labour under restrictions which are inimical to their well-being and unnecessary in the interests of the State; also to inquire and advise whether the residential conditions now existing are too exacting and require relaxing; and as to whether, owing to the varying conditions existing in respect to the climate and land-configuration in the several parts of the colony, an alteration and variation in the law regarding tenure and occupation is necessary; also as to the reintroduction of the homestead privileges, and as to the working of the present ballot system, and the dealing with applications for land; and as to what lands have been loaded for roads giving access thereto, and whether good faith has been kept, and also the amount borrowed, the amount spent, and the amount available; also generally as to whether lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office; and, lastly, as to the condition and position of those of our colonists holding and occupying the lands of the State under the several tenures now obtaining: the result of such inquiry to be laid on the table of the House not later than fourteen days after the opening of the next session of Parliament:

And whereas it is desirable that the several matters mentioned in the said resolution and other questions connected with land, its occupation, and the laws affecting the same, should be investigated, and that such inquiry be made in manner hereinafter provided:

Now, therefore, I, William Lee, Baron Plunket, the Governor of the Colony of New Zealand, in exercise of the powers conferred by "The Commissioners Act, 1903," and all other powers and authorities enabling me in that behalf, and acting by and with the advice and consent of the Executive Council of the said colony, do hereby constitute and appoint you, the said—

ROBERT HALL, Esquire, of Auckland;  
 WILLIAM WILSON MCCARDLE, Esquire, of Kawhia;  
 JOHN MOORE JOHNSTON, Esquire, of Palmerston North;  
 WILLIAM BROOKLYN MATHESON, Esquire, of Rongomai;  
 WALTER SCOTT REID, Esquire, of Wellington;  
 JAMES MCKERROW, Esquire, of Wellington;  
 GEORGE WILLIAM FORBES, Esquire, of Linwood;  
 DONALD MCLELLAN, Esquire, of Dunedin;  
 JOHN THOMAS PAUL, Esquire, of Dunedin;  
 JOHN ANSTEY, Esquire, of Otipua;

to be a Commission for the purpose of making inquiry into the several matters mentioned in these presents—that is to say, generally as to—

- (1.) The constitution of Land Boards;
- (2.) 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;
- (3.) Whether Crown tenants labour under restrictions inimical to their well-being and unnecessary in the interests of the State;
- (4.) Whether the residential conditions now existing are too exacting, and require relaxing, and, if so, in what direction;
- (5.) Also if alterations and variations are necessary in the law regarding tenure and occupation, owing to the varying conditions existing in respect of the climate and land-configuration in the several parts of the colony;
- (6.) Also whether it is expedient that the homestead privileges as indicated in the Appendix to "The Land Act, 1885," should be reintroduced;
- (7.) As to the working of the present ballot system, and the dealing with applications for land;
- (8.) The area of lands loaded for roads, the amount of such loading, the amount expended on roads in or giving access to the lands loaded, whether good faith has been kept in regard to them, and as to the amount borrowed, spent, and available;
- (9.) To ascertain the value of the land now leased from the Crown at the time the land was so leased, and the value of the said land at its last valuation;
- (10.) Whether lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office; and
- (11.) To ascertain the condition and position of those of our colonists holding and occupying the lands of the State under the several tenures now obtaining;
- (12.) To consider the report of proceedings and finding by the Conference of Commissioners of Lands and members of Land Boards, held at Wellington on the first, second, third, and fifth day of December, one thousand nine hundred and four, and to report and advise thereon;
- (13.) To investigate and report as to the aggregation of estates, large and small, the maximum area which should be held under the several classes, and if in certain districts variations are advisable;
- (14.) To inquire and report whether each area of land leased under the Land for Settlements Act shall have a separate occupier, and the area not to be increased or boundaries altered without the direct sanction of Parliament.

And you are hereby enjoined to make such suggestions and recommendations as you may consider desirable or necessary for the further encouragement and promotion of land-settlement, and the removal of any anomalies and disabilities that may be found to exist in regard to land-settlement and the existing law relating thereto.

And, with the like advice and consent, I do further appoint you, the said

WALTER SCOTT REID,

to be Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect, you are hereby authorised and empowered to make and conduct any inquiry under these presents at such times and places in the said colony as you deem expedient, with power to adjourn from time to time and from place to place as you think fit, and to call before you and examine on oath or otherwise, as may be allowed by law, such person or persons as you think capable of affording you information in the premises; and you are also hereby empowered to call for and examine all such books, documents, papers, plans, maps, or

records as you deem likely to afford you the fullest information on the subject-matter of the inquiry hereby directed to be made, and to inquire of and concerning the premises by all lawful ways and means whatsoever.

And, using all diligence, you are required to transmit to me, under your hands and seals, your report and recommendations in respect to the several matters inquired into by you not later than the first day of May, one thousand nine hundred and five, or such extended date as may be appointed in that behalf.

And it is hereby declared that these presents shall continue in full force and virtue although the inquiry be not regularly continued from time to time or from place to place by adjournment.

And, lastly, it is hereby further declared that these presents are issued under and subject to the provisions of "The Commissioners Act, 1903."

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Colony of New Zealand and its Dependencies; and issued under the seal of the said colony, at the Government House, at Wellington, this twenty-seventh day of January, in the year of our Lord one thousand nine hundred and five.

T. Y. DUNCAN,  
Minister of Lands.

Approved in Council.  
J. F. ANDREWS,  
Acting Clerk of the Executive Council.

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PLUNKET, Governor.

WHEREAS by a Warrant issued under my hand and the Public Seal of the Colony on the twenty-seventh day of January, one thousand nine hundred and five, certain persons named therein were appointed a Commission for the purpose of making inquiry into certain questions affecting Crown lands, and Walter Scott Reid was appointed to be Chairman of the Commission: And whereas the said Walter Scott has tendered his resignation as Chairman and member of the said Commission, and the resignation has been accepted, and it therefore becomes necessary to appoint a Chairman in his place:

Therefore I, William Lee, Baron Plunket, the Governor of the Colony of New Zealand, acting by and with the advice and consent of the Executive Council of the said colony, and in pursuance of the powers conferred by "The Commissioners Act, 1903," and of all other powers and authorities enabling me that behalf, do hereby appoint James McKerrow, Esquire, who is at present a member of the said Commission, to be Chairman thereof.

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Colony of New Zealand and its Dependencies; and issued under the seal of the said colony, at the Government House, at Christchurch, this thirteenth day of February, in the year of our Lord one thousand nine hundred and five.

R. J. SEDDON,  
For Minister of Lands.

Approved in Council.  
J STEVENSON,  
Acting Clerk of the Executive Council.

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PLUNKET, Governor.

WHEREAS by a Warrant issued under my hand and the Public Seal of the Colony on the twenty-seventh day of January, one thousand nine hundred and five, certain persons named therein were appointed a Commission for the purpose of making inquiry into certain questions affecting Crown lands:

And whereas Walter Scott Reid, Esquire, has tendered his resignation as a member and Chairman of the said Commission, and the same has been accepted :

And whereas James McKerrow, Esquire, has been appointed Chairman :

And whereas it is expedient to appoint a member in the place of the said Walter Scott Reid :

Now, therefore, I, William Lee, Baron Plunket, the Governor of the Colony New Zealand, acting by and with the advice and consent of the Executive Council of the said colony, and in pursuance of the powers conferred by "The Commissioners Act, 1903," and of all other powers enabling me in that behalf, do hereby appoint William Arthur McCutchan, Esquire, of Whangamomona, to be a member of the said Commission, in the place of the said Walter Scott Reid.

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Colony of New Zealand and its Dependencies; and issued under the seal of the said colony, at the Government House, at Wellington, this sixteenth day of February, in the year of our Lord one thousand nine hundred and five.

R. J. SEDDON,

For Minister of Lands.

Approved in Council.

J. F. ANDREWS,

Acting Clerk of the Executive Council.

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## REPORT.

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To His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Colony of New Zealand and its Dependencies.

May it please Your Excellency,—

WE, the Commissioners appointed by Your Excellency's Letters Patent of the 27th January, 1905, and of the 16th February, 1905, to inquire into the several matters and things therein mentioned and referred to, have the honour to report to Your Excellency as follows :—

Before we could begin our work our Chairman, Mr. W. S. Reid, was, to our great regret, compelled by ill health to resign his position as Chairman and member of your Commission. Mr. Reid's resignation having been forwarded to Your Excellency, Your Excellency was pleased, on the 13th February, 1905, to appoint James McKerrow, Esq., of Wellington, one of the members of the Commission, to the vacant chairmanship, and, on the 16th of the same, to appoint William Arthur McCutchan, Esq., of Whangamomona, in the Land District of Taranaki, to the vacant membership.

The scope of our inquiry, which began at Wellington on the 15th February of the current year, required so much travelling, and the examination of so many witnesses, that we found it impossible to submit our report within the time originally appointed. We therefore applied for and received from Your Excellency three extensions of the time for presenting the same, all of them within the order of reference mentioned in Your Excellency's Letters Patent.

In view of the great public interest in the subjects of our inquiry, we deemed it advisable to admit the Press and public to our sittings, and we advertised those sittings in most of the newspapers of the colony.

We have taken evidence from every land district in the colony, with the exception of Westland. During these visits your Commission has travelled over seven thousand miles, held 135 meetings, heard close upon a thousand witnesses, inspected numerous settlements, and received a large number of returns, reports, and correspondence.

Before the close of our inquiry it became necessary, in order to keep within the time allowed, to increase our rate of progress, and this object was attained by dividing the Commission into two parts. Of these, one, under the chairmanship of Mr. McKerrow, the Chairman of the Commission, visited the Land Districts of Taranaki, Hawke's Bay, Wellington, Nelson, and Marlborough; while the other, under the chairmanship of Mr. Hall, one of the members of the Commission, visited the southern half of the Auckland Land District and the district of Gisborne.

#### (1.) THE CONSTITUTION OF LAND BOARDS.

The present constitution of Land Boards—nomination by the Governor—was approved by a majority of the witnesses, who at the same time expressed satisfaction with the impartial administration of the Boards. A considerable number of witnesses, however, advocated elective Land Boards, but on examination none could suggest a satisfactory franchise on which to elect them. The general consensus of evidence was that the nominative system has produced Boards which have dealt fairly as between the State on the one hand and the tenants on the other. We recommend as follows:—

(a.) That the present system be adhered to.

The desirability of the Boards being composed of members having practical acquaintance and experience in the agricultural, pastoral, and mining settlement of the colony was emphasized; also, as far as practicable, they should be selected so as to give representation to the various interests and localities of the respective land districts to which they are appointed. In order to give effect to this, we recommend,—

(b.) That in some of the larger land districts the maximum number of nominated members be increased to six.

(c.) That the remuneration of members—at present 10s. a day and locomotion-expenses while on duty—should be substantially increased.

To effectually administer discretionary powers, the need was acknowledged for the members of Land Boards being in an independent position, and at the same time in sympathy with the land legislation of the colony, and in touch with the Minister of Lands, with whom they have to co-operate, and who is primarily responsible to Parliament and the colony for the efficient control of the great estate of Crown lands, and the rapidly growing estate being acquired under the Land for Settlements Act. The lands settled under that Act up to the 31st March, 1905, aggregate 642,939 acres, at a cost of over £3,000,000, and are occupied by 3,127 tenants. In the ordinary Crown lands, including Cheviot, there are 17,686 tenants occupying on settlement conditions and on pastoral lease 16,324,542 acres. From these facts and considerations, and with a view to make the members more representative of the several interests and localities of each land district, we affirm,—

(d.) That it would be desirable to subdivide each land district into ridings, and that a member, who shall be either actually residing in or have special local knowledge of the riding he represents, should be nominated from each.

(e.) That it is necessary to competent administration that at least one member of each Land Board shall be a Crown tenant, and that all the members of the Board shall be men with practical experience as farmers, or with special knowledge in matters relating to land occupation and settlement. We have much evidence to show that when Boards consist of members possessing proper qualifications, friction between them and the tenants is almost entirely absent.

(2.) THE TENURES UPON WHICH LANDS MAY BE OBTAINED AND OCCUPIED, AND WHETHER IN THE INTERESTS OF THE COLONY ANY ALTERATION OF LAW IS DESIRABLE.

As a unanimous report on this order of reference is impossible, the findings of the Commissioners are appended below.

(3.) WHETHER CROWN TENANTS LABOUR UNDER RESTRICTIONS INIMICAL TO THEIR WELL-BEING, AND UNNECESSARY IN THE INTERESTS OF THE STATE.

A very great deal of evidence was tendered in Southland, Otago, and Canterbury, and to a lesser extent in other land districts, regarding the existing cropping regulations, which prescribe a rotation not to exceed two white crops and a green crop, followed by three years' grass; some witnesses contending for the right to take more white crops in succession where the land was rich, and others—one or two of them of high authority—maintaining that there was no need of any restrictions whatever.

Your Commission found that the regulations appertaining to land-settlement were, with the exception of a few minor points, just and equitable, and these your Commission respectfully recommend should be altered in the following respects :—

(a.) Cropping restrictions, whilst necessary, should only apply to white straw crops and periodical grassing; no limit should be placed on the number of green crops grown. On some of the heavier and stronger land the restriction to two straw crops before regrassing, as laid down in the regulations, operates to the disadvantage of the tenant occupying such land. In such cases some extension should be granted when, in the opinion of practical men, such concession should be allowed without any damage being done to the land. The Boards should have statutory power to relax cropping conditions as may be deemed by them to be necessary in exceptional cases.

(b.) All restrictions should be removed as to the disposal of straw, the cutting of grass for hay or seed, and the area of the land to be kept in permanent pasture.

(c.) Your Commission, recognising that it is obviously impossible that one set of cropping regulations should be suitable for land in every part of the colony, would recommend that all land in future opened for settlement be carefully classified as to cropping capabilities, and regulations framed in accordance.

(d.) All cropping restrictions might be removed whenever a tenant has fulfilled his conditions, has resided on his land for ten years, and has improvements, free from encumbrance, to the value of one-third of the capital value of the land, the value of improvements in no case to be less than £2 per acre.

(e.) Evidence shows that some of the tenants have gone on overcropping in defiance of the Land Board. In the Canterbury Land District during the last four years there were 411 breaches of the cropping regulations. The penalty of forfeiture for breaches of regulations, as stated in section 100 of "The Land Act, 1892," is too severe; power should be given to Land Boards to impose fines in lieu thereof.

(f.) That in "The Land for Settlements Act Amendment Act, 1901," clause 10, the words "on the happening of any extraordinary event" be struck out, and the following words inserted: "or on sufficient reason being given."

(g.) That the Land Transfer Act be amended to enable selectors to subdivide and transfer portions of their leases, to convert their leases, or for other transactions of a like nature; to empower the District Land Registrar to bring down existing mortgages on the new leases, the same as is done in the case of freehold titles, without lessees having to incur the expense of preparing and registering new mortgages as at present.

(h.) That a lessee or licensee surrendering for any of the above purposes may be enabled to register mortgages or other dealings during the currency of the first twelve months of the new lease issued in lieu of the one surrendered.

(i.) That the ambiguity in wording of the section of "The Land Act, 1892," defining the powers of a devisee, be removed, and that full power to will without reference to the Land Board to any qualified person be substituted.

(j.) That the restriction of borrowing for improvements during the first year of occupancy should be abolished, and only limited to the date when improvements are actually completed.

(k.) That the prohibition of cropping by holders of pastoral licenses be removed, and the cultivation for winter feed for stock be allowed subject to the land being properly laid down in grass.

(4.) WHETHER THE RESIDENTIAL CONDITIONS NOW EXISTING ARE TOO EXACTING, AND REQUIRE RELAXING, AND, IF SO, IN WHAT DIRECTION.

The compulsory residence-conditions as laid down in sections 141 and 143 of "The Land Act, 1892," and in "The Bush and Swamp Crown Lands Settlement Act, 1903," are none too exacting, seeing that in bush lands there are exemptions from two to five years according to circumstances, and even total exemption may be granted in exceptional circumstances by the Land Board.

Evidence throughout the colony shows that the various Land Boards have exercised the discretionary powers vested in them wisely in regard to relaxing residence-conditions on Crown lands where good cause has been shown, and that there is no necessity to further extend that power. There are variations in the duration of residence required under the following tenures, for which sufficient reasons do not appear, thus: Under the Land for Settlements Act and on small grazing-runs residence is continuous without a break to the end of the term. In ordinary Crown lands on lease in perpetuity continuous residence is for ten years. In occupation with right of purchase it is only for six years. There does not seem any reason why there should be any difference in the duration of residence under the various tenures of ordinary Crown lands.

It is recommended that exemption from residence in no case should exceed four years, and that residence be continuous thereafter for six years under any tenure, including land sold for cash, thus bringing all tenures under similar residence-conditions, with the exception of pastoral runs.

The reason for including cash purchasers, and for insisting on fulfilment of residence-conditions, as was pointed out by back-blocks settlers, is to have the necessary support for schools, churches, tradesmen, and so on, otherwise if residence is not enforced the settler and his family who do reside are placed at a great disadvantage. The Commission recommends that residence-conditions should not be enforced until reasonable road access is provided, but that when such access is provided residence should be strictly enforced, except where sufficient cause for its relaxation can be shown.

Where country settlers under any tenure in *bonâ fide* occupation of and residence upon their holdings take up Crown land, there appears to be no sound reasons for enforcing residence on the latter, and it is recommended that residence on either holding shall count as residence on both.

The residence conditions have amply proved that they are the surest safeguard against speculation and dummyism, and that when reasonable road access is provided the *bonâ fide* settler seldom finds these conditions irksome or impracticable.

(5.) WHETHER ALTERATIONS AND VARIATIONS ARE NECESSARY IN THE LAW REGARDING TENURE AND OCCUPATION OWING TO THE VARYING CONDITIONS EXISTING IN RESPECT TO THE CLIMATE AND LAND-CONFIGURATION IN THE SEVERAL PARTS OF THE COLONY.

Your Commission see no reason to make special provision for the various land districts under this heading, as we believe the general provisions of the existing land laws and the suggested amendments are applicable to the whole colony.

(6.) WHETHER IT IS EXPEDIENT THAT THE HOMESTEAD PRIVILEGES AS INDICATED IN THE APPENDIX TO "THE LAND ACT, 1885," SHOULD BE REINTRODUCED.

Although the homestead system of granting land without payment on the condition of five years' residence and effecting certain improvements has been successful in settling 464 settlers on 76,097 acres in the Auckland District, 39 settlers in Westland on 1,480 acres, and 19 settlers on 2,689 acres in Otago, it is not deemed advisable to recommend the reintroduction of the system, which was abolished by "The Land Act, 1892." Its success in Auckland was largely due to good bush lands near navigable waters being opened for the purpose.

Evidence has pointed to its application to the poor lands of the colony, the North of Auckland being especially mentioned in this connection.

Your Commission do not recommend its reintroduction as a means to solve the difficulty of the satisfactory settlement of this class of land, for the following reasons:—

(a.) The homestead system as a means of settling poor men on the land can only be successful if applied to good land, easy of access to market, and the satisfactory settlement of this class of land is amply provided for under the existing forms of tenure. To put a poor man on to poor land is only to court disaster.

(b.) It has been stated that the poor land lying to the north of Auckland might be profitably utilised for fruit-growing, for which it is specially suited. This is possible, but the large outlay needed to establish that branch of farming makes it difficult for a poor man to undertake unless under a system of Government assistance.

We think the possible results might amply justify the Government instituting some experiments as to chemical, botanical, or other means for the reclamation of the now almost valueless lands of the colony.

(7.) AS TO THE WORKING OF THE PRESENT BALLOT SYSTEM, AND THE DEALING WITH APPLICATIONS FOR LAND.

Notwithstanding some objections, your Commission is forced to the conclusion that when there is more than one applicant for a section some form of ballot is the fairest mode of determining who shall become the holder.

We disapprove of the present system of grouping and second ballot, which often causes applicants to take a section they do not want, and also prevents many desirable settlers from applying at all.

We would recommend a system similar to that described by Mr. Humphries in his evidence before the Commission, of grouping sections in accordance with the means required for successful occupation, applicants to apply only in the groups to which their means entitle them.

That a ballot be taken for first choice of any section in the group, and the ballot thus continued until all the sections are disposed of.

Any applicant may withdraw at any time before or during the drawing of the ballot, and his deposit be returned, so that he shall not be compelled to remain in the ballot after the section he would have liked has been drawn.

Any sections not disposed of on the first drawing of ballot to be reoffered at an early date, to be fixed by the Land Board.

All applicants for a ballot of Crown lands to be examined as to their suitability and *bona fides*.

That the limitation of area to be held by a married woman—320 acres—be withdrawn, thus making the area for a married woman the same as for a single woman or any other applicant, provided that only the wife or husband (but not each) may hold any section up to the area of the present limit, and the means of husband or wife may be calculated as possessed by both for the purpose of applying for a section.

Any person disposing of his interest in any section to be ineligible for any other ballot for a term of at least three years, except for causes that the Board in its discretion may deem satisfactory.



We recognise that certain classes of applicants, especially married men with families, and persons who have been repeatedly unsuccessful at a ballot, have some claim to preference, but are unable to recommend a regulation for this purpose that would be equitable to other applicants.

That the Land Board should have power to allot to residents of long standing on estates acquired under the Land for Settlements Act such areas as they deem fit, without competition, but in no case to exceed half the area allowed under "The Land Act, 1892."

That in clause 3 of the "declaration" on application for lands the words "or benefit" be struck out, and the words "and *bonâ fide* occupation" be inserted.

That provision be made to allow holders of small areas under the Land for Settlements Act to ballot for larger areas, on giving an undertaking to dispose of their present holdings to an approved person within a reasonable time after acquiring the larger area.

That persons guilty of making a false declaration should be debarred from applying at any ballot for five years.

(8.) THE AREA OF LANDS LOADED FOR ROADS, THE AMOUNT OF SUCH LOADING, THE AMOUNT EXPENDED ON ROADS IN OR GIVING ACCESS TO THE LANDS LOADED, WHETHER GOOD FAITH HAS BEEN KEPT IN REGARD TO THEM, AND AS TO THE AMOUNT BORROWED, SPENT, AND AVAILABLE.

The evidence of settlers upon this question has generally been vague, conflicting, and unreliable, for the reason that they had no definite information as to the amount of the "loading," or the extent of the expenditure which actually took place. Departmental returns obtained by the Commission, and included in the Appendix, give the area loaded as 2,595,533 acres; amount authorised to be borrowed, £471,339; total expenditure, £358,577 15s. 4d.; balance available (31st March, 1904), £112,761 15s. 2d. Of this latter sum, no authorities were held by the Roads Department on 31st March, 1904, for £77,148, and of the remaining £35,613 authorised, £22,605 remained unexpended on the 1st August, 1904, but a good deal of this was under contract and in process of being spent.

Good faith has, generally speaking, been kept with the settlers, but many have laboured under the impression that the necessary corollary to loading was roads, and this when the amount of loading was inadequate. In cases where it has been considered desirable to assist settlers with road-work, blocks of land have been sectionised, loaded for roads, and the settlers put upon the land to some extent in advance of roads. In these instances they have been paying the charges on the full loading before getting the benefit of the roads, but this disadvantage has been in some measure compensated for by the work given, and cannot be considered a breach of faith.

Complaints were made that in the earlier days of closer settlement loading was not always economically spent. Many of the charges of waste made before the Commission cannot be sustained. On the other hand, there has in some instances been loss in the expenditure of loading. The early imperfections of the co-operative system, combined with the fact that the Government of the day was compelled to provide relief for surplus labour, was doubtless responsible in a great measure for this, which has now, however, been remedied, and cause for complaint cannot hold to-day.

The matter of loading for roads is inseparable from the general question. The present State methods of roading require fundamental change. The opinion has been freely expressed that the roading question is equal in importance with the tenure question. It is held that unless land is provided with transit facilities for the bringing-in of the requirements of settlement work, and the removal of products, it cannot, from a settlement and productive standpoint, be considered to have full value. It is clearly laid down that the settlement value of the remaining Crown lands is the value of those lands roaded, and that roading should be prior to, or coincident with, settlement. The practice

of the State placing colonists on waste lands in advance of roading has been unsatisfactory, and must be condemned. A solvent and flourishing colony cannot be absolved from blame when it calls upon its pioneer settlers to carry out their life's work under conditions inimical to the well-being, happiness, and prosperity of themselves and their families. The evidence of back-blocks settlers has placed the fact beyond doubt that the pioneer work of the colony is being carried on with great enterprise, but, unfortunately, under conditions as to roading so adverse as to seriously jeopardise the success of these out-settlements. It is therefore pointedly accentuated by the Commission that it is the duty of the colony to face with promptitude the expense necessary for the removal of these disabilities.

The roading problem presents a twofold difficulty — firstly, of roading country already settled, and, secondly, the roading of new country. In regard to this matter, the question at once arises, how much of the required outlay shall be provided by the State, and how much in equity should be a local burden? A careful review of every phase of the question leads to the conclusion that road-construction must be regarded as a State responsibility, and that road-maintenance, properly viewed, should, subject to the recommendations subsequently made as to finance, become the task of the local bodies. Road-construction is defined as meaning the formation and metalling of all main roads, and the formation only of by-roads for wheel-traffic. All roads to be Government roads and to be under Government control until the foregoing work is completed, and then to be placed under the control of the local bodies by *Gazette* notices as county main roads and county by-roads. The right of handing over such roads wholly or in sections as completed to be a power entirely in the discretion of the Government, subject to the condition of the continuity of construction. It is apparent that if roading is antecedent to settlement, the process of recompense to the State quickly sets in by means of the increased upset values obtained for the land, and though the benefits arising from speedier and fuller returns. When roaded and sectionised much greater care is necessary in fixing upset prices for settlement. This work should not be done upon the suggestions and recommendations of surveyors alone, but the same care as that exercised in the valuation of land under the Land for Settlements Act should be used.

The system of control by County Councils and Road Boards of areas within county boundaries has not withstood the test of criticism. It is true a majority of county areas are controlled by County Councils only, yet, on the other hand, it is found that in thirty counties there are more than two hundred Road Boards operating over districts also to some extent controlled by County Councils, and when it is considered that the rate revenue of some of these Road Boards does not amount to £25 per annum, the position becomes ludicrous, and it is recommended that Road Boards be abolished as wasteful and unnecessary to efficient road-administration. Upon the understanding that the general rate leviable in each riding of a county, less the necessary deductions for administration and other expenses as now fixed by statute, although admitting of temporary transfer from the riding for the county's needs elsewhere, must be returned within a reasonable period to the riding when required for expenditure therein; and subject also to the legislation of road accounts, not necessarily to prevent the temporary transfer of separate rate-money from by-road to by-road, but to enable the financial position of each road to be easily seen by ratepayers, and to secure to each road its just share of county expenditure. The absence of the latter provision from local-government law is believed to be the chief factor in calling into existence a very objectionable system of duplication of local control. There are conditions existing in a few instances where the arbitrary enforcement of the recommendations made regarding general rate and road accounts might operate unsatisfactorily. It is suggested that this power be made permissive, with the initiative in the hands of the local body.

For many years local bodies have laboured under the disadvantage of insecure and inadequate finance. Spasmodic and uncertain Government grants in aid of ordinary expenditure, or as assistance in meeting extraordinary

damage by fire or storm, is too intangible a method of coping with difficulties often needing definite and prompt attention. Throughout the colony assistance by Government grant, as a system, is in disfavour. It is difficult, however, to see how the repair of unexpected and extraordinary road-damage can be undertaken except by grant. The Commission recommends that (1) subsidies as now existing; (2) Government grants, except in cases of extraordinary damage from storm or fire; (3) loading for roads; and (4) "thirds" and "fourths" from land revenue be entirely abolished, and a graduated scale of subsidies upon county rates on the following lines be set up:—

Where general and separate rates levied are together less than 1d. in the pound on the capital value, subsidy as at present.

		Subsidy.	
		£	s. d.
Where general rate and separate rate together equal 1d. in the pound ..		0	10 0
"          "          "          "          1½d. " ..		0	12 6
"          "          "          "          1¾d. " ..		0	15 0
"          "          "          "          1¾d. " ..		0	17 6
"          "          "          "          2d. " ..		1	0 0

No subsidy over pound for pound.

Subsidy on all special rates to be 7s. 6d. in the pound.

These figures are for the purpose of illustration; full data upon which to base accurate calculation are not available for the use of the Commission. The principle is affirmed that subsidy upon rates should be (a) graduated; (b) adequate.

In progressive and enterprising counties, where the ratepayers are actuated by a spirit of self-help, the power to borrow for road-work, &c., under the Loans to Local Bodies Act has been found to be inadequate, and it is advised that the maximum borrowing-power be largely increased, having reference to the size and requirements of the various counties. This recommendation is considered reasonable, as the abolition of Road Boards, if effected, removes the borrowing-power of those bodies—viz., £3,000 a year each.

Small-grazing-run areas which are rated for local-government purposes on a capital value obtained by considering the rental as being 6 per cent. of the capital value, to be rated on the saleable value instead, so as to enable the holders to undertake road-work, and to place these lands in a position to contribute to the upkeep of the roads equally with other lands held under different tenures.

It is recommended that clause 50 of the Loans to Local Bodies Act be amended, so as to admit of grazing-runs and all other settled Crown lands being included in loan areas for road-work. This clause has stood in the way of progress in various districts, and has prevented settlers willing to assist themselves from obtaining requisite loan-money.

Where it is considered advisable to include areas of unsettled Crown lands in loan areas so as to secure convenient boundaries and for equitable reasons, it is advised that requisite facilities be provided, such areas to be liable from time of settlement for proportion of loan rate.

The changes advocated are radical. Heavy Government expenditure at present goes on from year to year in maintenance-work, whereas it is affirmed that Government Departments should not spend money upon such work; nor would outlay of this nature be necessary if road-construction to the point of completion, as previously defined, were carried out with the despatch necessary to meet the needs of settlement; Government responsibility would then cease, the settlers themselves, through local bodies' machinery, assuming the duty of maintenance and improvement. Great waste of money has occurred in many districts over a long term of years under this heading, sufficient in a number of districts to have brought heavy road-mileage into condition for being placed under local-government control. Conclusive proof has been adduced that the output and development of the newer districts of the colony has been retarded to an extent not generally known, and the aggregate loss in this respect has reached a magnitude which calls for serious and immediate attention.

(9.) TO ASCERTAIN THE VALUE OF THE LAND NOW LEASED FROM THE CROWN AT THE TIME THE LAND WAS SO LEASED, AND THE VALUE OF THE SAID LAND AT ITS LAST VALUATION.

The Valuer-General gives the values of the Crown leaseholders as under :—

Land for Settlements—	Upset. £	Present value. £
Lease in perpetuity .. .. .	2,629,293	2,796,821
Ordinary and village-homesteads and improved-farm settlements .. .. .	1,444,912	1,822,583
Small grazing-runs—		
Land for settlements .. .. .	124,712	131,054
Ordinary .. .. .	1,442,959	1,640,193
Perpetual lease .. .. .	139,342	139,342
Occupation with right of purchase .. .. .	848,045	848,045
	£6,629,263	£7,378,038

or an increase of a little over 11 per cent.

(For further information under this head see Appendix, pp. x, xi.)

Evidence was given by settlers indicating much greater increases in values than the above in individual cases; but, on examination, some of these were considerably discounted when it comes out that growing crops and stock were included. There is, however, no doubt that very considerable sums have passed for goodwill after deducting all other items.

Figures under this head showing marked increases in value will be found on reference to the evidence and appendix.

(10.) WHETHER LESSEES OF THE CROWN ARE PLACED AT A DISADVANTAGE IN BORROWING PRIVATELY OR FROM THE ADVANCES TO SETTLERS OFFICE.

The evidence before the Commission tends to show that this system has been of immense advantage, not only to the numerous settlers who have availed themselves of its provisions, but also in the effect it has had in improving the conditions of borrowers from other sources. In the earlier stages of its operations, there may have been rather more care exercised in maintaining ample margins for loans than was subsequently proved to have been necessary; but in its later operations there appears to have been a readiness to advance quite sufficiently near to the margin allowed by statute. There have been many complaints of refusal of loans, and also of the amounts offered being much less than the applicant was entitled to on the amount of his valuation, but now that the amounts at credit of the Assurance Fund and the Debentures Sinking Fund amounting to £309,602, together with sums accruing from the same sources in future, will be available for lending under this Department, causes for the above complaint should be removed in future.

There were many complaints as to the time elapsing between the application for the money and the final decision as to the acceptance or rejection of it. In the remoter districts it cannot be expected that a valuer can always be at hand to report valuations, and then there is the reference to the Land Department and the consideration by the solicitor, and then by the Board. Ordinarily, three or four weeks suffices to get an application through. The Lending Department has publicly indicated that borrowers should make their application if possible six weeks before the money is wanted. Both the head of the Department and some of the district officers have explained that no unnecessary delays occur. In future, from a recent decision of the Department, advances will be more liberal than in the past. The lessee's interest in the land as well as his improvements being acknowledged as security for the money borrowed. In view of the fact that up to the present not a single loss has occurred, and that already a very substantial reserve has accumulated, the percentage of advance to the security offered might safely be increased to 60 per cent., especially as, under the system of repayment by instalments, the margin of security to advance

commences to increase almost immediately. And seeing that in respect to land leased from the Crown the Crown still retains control over it, there appears to be no reason why a greater margin of security should be required than in the case of freehold.

Holders of some Crown leases are under a disadvantage in borrowing from private sources, inasmuch as difficulty is often experienced in giving lenders prompt security. We see no reason why a tenant, having a property in a leasehold, should be debarred from facilities for pledging it for necessary temporary or fixed loans, so long as a realisation in case of default did not conflict with the conditions of tenure.

This involves giving mortgagees the right to take possession and hold such property for a limited time, pending the finding of an approved tenant.

Where a Land Board has given consent to a mortgage, it should insure that forfeiture shall not take place without due notice being given to the mortgagee.

Many tenants, especially on cultivated lands, require loans for very short periods at almost immediate notice, and all obstacles to the doing so from private sources should be removed, seeing that the Advances to Settlers Office can scarcely undertake loans of this nature under present regulations.

It would be well worthy of consideration by the Advances to Settlers Office whether it would be possible to introduce a system whereby a settler might increase or decrease from day to day the amount of his loan, within the limit of the advance made.

(11.) TO ASCERTAIN THE CONDITION AND POSITION OF THOSE OF OUR COLONISTS HOLDING AND OCCUPYING THE LANDS OF THE STATE UNDER THE SEVERAL TENURES NOW OBTAINING.

The condition and position of Crown tenants throughout the colony can, on the whole, be described as progressive and satisfactory. In Southland, much progress has been made of late years by the settlement under the Land for Settlements Act, and of Crown lands chiefly of moderate quality. We expect to see steady progress in this district, consequent on closer settlement, draining, liming, bushfelling, and grassing, &c. The keeping in check of noxious weeds and vermin must, however, receive careful attention. Where the land is not of first-rate quality, holdings should not be too small, whilst on the richer lands small holdings are suitable for dairying and providing homes for many prosperous settlers.

Southern and central Otago present no exception to the general rule of prosperity. A comprehensive scheme of irrigation for its unwatered areas is the great need for its future expansion and prosperity. In north Otago the benefits of the Land for Settlements policy are very striking, prosperous settlers and a thriving town replacing uncultivated areas and restricted business enterprise. These remarks apply equally to South Canterbury, where the great increase in its harbour returns bears witness to the increase of productiveness and prosperity of settlers during the past few years. Throughout this land district the increase of production and prosperity of its settlers consequent on closer settlement is apparent, and one cannot help contrasting the thriving condition of the settlers of the Cheviot Estate (which was practically the initiation of the closer-settlement policy) with the gloomy predictions of many, when the estate was acquired. The position of the tenants of the pastoral runs in this, as well as the other districts, calls for immediate attention, the lack of a secure tenure discouraging all attempt at improvement and regrassing. Seeing that the prospects not only of these tenants, but of the important freezing industry, depend largely on these great breeding-grounds, this question should receive prompt attention. In Marlborough also the Land for Settlements policy is already making itself felt; the success of the system and the settlers fully warrants its extension wherever possible.

In Nelson, the beautiful climate is some compensation for a somewhat restricted area of rich land suitable for closer settlement. On much of the rough country better means of access and communication would add greatly to the progress and comfort of the settlers.

Evidence shows that in Westland the Land for Settlements system has proved an unqualified success in the two settlements now under its provisions, and we think this small beginning should be followed up wherever practicable. Better security of tenure to land, where it does not interfere with mining industries, would add materially to prosperous settlement. We regret that want of time prevented the Commission visiting this land district.

In the north of Auckland settlement has progressed somewhat slowly, largely due to the poor nature of most of the land, and want of road facilities. But the application of the Land for Settlements policy to the richer portions of its lands, reclamation of swamps, establishment of dairy factories, encouragement of fruit-growing, and improvement of its poor lands, combined with excellent waterways and mild climate, should insure great progress in the future.

We are pleased to note that the Government have already established stations at Waerenga and Ruakura, and if they were established in various parts of the colony, the result would almost certainly be of great assistance in increasing general productiveness. In the southern portion of the district much progress is being made in bushfelling and grassing. The one thing above all others required to make settlement progress and prosperous is good roads.

Wonderful work has been accomplished by the industrious settlers of Taranaki; its bush- and scrub-clad hills are now turned into sheep and cattle farms, and its rich lowlands into dairy-farms, but again the cry rises, "Give us roads." Seeing the hardship these hardy pioneers have endured from the want of this necessity of settlement and comfort, and the way they have burdened themselves to attain this object, they are entitled to every consideration at the hands of the State. These remarks apply to all the bush settlements in Wellington and Hawke's Bay Districts, for when good roading facilities exist, such as at Palmerston, Feilding, and near the centres in all the districts, evidences of prosperity and contentment are very apparent.

In the Hawke's Bay District the Land for Settlements policy has already made a successful commencement, and we believe a field exists in this district for great extension of this policy, which, while duly conserving the interests of the present pioneer settlers, should make these lands available to prosperous close settlement. To conclude, the vast majority of our Crown settlers are prosperous, progressive, and contented, but some disabilities exist which a sympathetic Government can do something to remove. Many of these are alluded to in our report and in the accompanying evidence, and we are confident that they will receive such a full consideration by Parliament as will result in their removal.

(12.) TO CONSIDER THE REPORT OF PROCEEDINGS AND FINDING BY THE CONFERENCE OF COMMISSIONERS OF LANDS AND MEMBERS OF LAND BOARDS, HELD AT WELLINGTON ON THE 1ST, 2ND, 3RD, AND 5TH DAYS OF DECEMBER, 1904, AND TO REPORT AND ADVISE THEREON.

After careful consideration of the report and findings of the Land Conference, we have reported on each question dealt with therein under its separate heading.

We are of opinion that the discussion at the Conference was of a most valuable character, and many very useful recommendations made by them have been dealt with by us, and we believe that good results would accrue from holding periodical conferences of a similiar character.

Several technical and minor alterations in the existing Acts recommended by the Commissioners of Crown Lands are, from their knowledge and experience gained in the daily working of the same, entitled to great weight, and we suggest that alterations of this character be considered by similar conferences, with a view to the adoption of changes found necessary, to the efficient carrying-out of the spirit of the various Acts.

- (13.) TO INVESTIGATE AND REPORT AS TO THE AGGREGATION OF ESTATES, LARGE AND SMALL, THE MAXIMUM AREA WHICH SHOULD BE HELD UNDER THE SEVERAL CLASSES, AND IF IN CERTAIN DISTRICTS VARIATIONS ARE ADVISABLE.

In respect to private estates there is very little aggregation at present taking place, the tendency being for owners to subdivide and dispose of their land in smaller areas; but, in some cases, owners of small and medium-sized estates are acquiring additional lands. We are of opinion that the carrying of these operations to an undesirable length should be prevented by legislation.

On Crown lands more minute classification is necessary. On open lands and lands suitable for dairying, the land should be divided into at least three classes according to quality and situation. A limit of 640 acres in the case of our best first-class land is much too high in some cases, and also at least three distinct classes are necessary for purely grazing-country.

It has repeatedly been shown that areas as at present settled have, in many instances, proved to be unsuitable, and power should be given to aggregate two or more sections where, in the opinion of the Land Board, it is proved to be desirable, whether the lands were contiguous or not.

- (14.) TO INQUIRE AND REPORT WHETHER EACH AREA OF LAND LEASED UNDER THE LAND FOR SETTLEMENTS ACT SHALL HAVE A SEPARATE OCCUPIER, AND THE AREA NOT TO BE INCREASED OR BOUNDARIES ALTERED WITHOUT THE DIRECT SANCTION OF PARLIAMENT.

As it is manifestly impossible that the original subdivision of Crown lands, and the subdivision of the numerous estates purchased for closer settlement, can be done in all cases to the best advantage, and suitable for all the requirements of future conditions, there is no necessity for direct reference to Parliament in individual cases, and power should be given to the Minister, on the recommendation of the Land Boards, with the consent of the tenant, to adjust any boundaries or area of sections which may tend to the more economic working of the land, provision being required to enable adjoining lessees to arrange their common fencing boundaries and amend their leases by indorsement, without going through all the formalities of section 12 of "The Land Act, 1895," by subdivision, and transfer and issue of new leases. At present, a lessee holding 640 acres of first-class land cannot do this if his total area should be increased ever so slightly over that area. If the transaction has to be effected by subdivision and transfer, the cost, including surrender, transfer, and new lease fees, cost of survey, &c., is often prohibitive, especially if the leases are mortgaged, &c., as all dealings have to be re-executed and registered on the new leases, and facilities should be given to tenants of areas too small for profitable occupation to acquire one or more additional areas without separate residence-conditions irrespective of similarity of tenures or contiguity.

Power should be given to allow of a tenant subdividing and disposing of his holding in part or parts to any qualified persons, subject to the Board's approval of adjustment of boundaries, and apportionment of rent to each division.

#### WORKMEN'S HOMES.

The condition of the town wage-earners and the high price of town lands in connection with rents has been prominently before the Commission. Rents have increased out of proportion to any rise in wages, and the question of the housing of the city wage-earners calls for immediate attention. It is needless to mention the far-reaching effects of bad housing, to say nothing of the severe tax on the weekly earnings of the people. After a more or less close inspection of workmen's homes and examination of the tenants, your Commission conclude that the system followed up to date has been attended with a fair measure of success. In the large majority of workmen's settlements visited, comfortable homes have been erected by the tenants, and are well cared for. The question of Government advances to tenants to help in erecting necessary improvements, which is now limited to pound for pound up to £50, has been carefully considered. The small advance has not been of sufficient assistance to erect suitable

dwellings for men with families, and we believe that the total amount to be advanced to any one applicant might safely be increased to £120, and the proportion of said increase raised to 60 per cent. of total amount expended by each tenant.

The question of suitable areas has been fully considered. Your Commission cannot lay down any hard-and-fast rule as to the area to be held by any one tenant. This must be wholly governed by the special conditions in different districts, taking into consideration the occupation and hours of labour of prospective tenants. In some cases the areas at present held are too large, and rent and taxes, combined with the fact that the holder's daily occupation prevents him closely cultivating such land, and thereby recouping himself, makes it unprofitable to hold same. Holdings which come within this category might be further subdivided if satisfactory arrangements could be come to with present holders. It is abundantly clear to your Commission that to allot a man 5 acres when his daily work takes him away for eight or nine hours of the day is a waste of land, and burdening the holder with unnecessary rent and taxes. The existing law as to area is on the right lines, but very great care must be exercised to prevent alienation of large and unsuitable areas in future. The demand appears to be keener for small sections—in some cases, even an eighth of an acre being stated as sufficient. The question of suitability of land is also a great factor in the success or failure of workmen's homes. If distance is great, cost of transit becomes too heavy, and too much time is taken up in travelling to and from place of occupation. When small areas are wanted, care should be taken that means of communication are quick and inexpensive. The system is capable of much further extension. In the chief centres evidence proves that a want exists, and your Commission believe that this want should be met at the earliest opportunity.

#### LYNDON NO. 2 SMALL GRAZING-RUNS.

The unsatisfactory position of the lessees of three small grazing-runs on the Lyndon No. 2 Settlement was brought before the Commission at Waiiau, and from evidence and observation your Commission think that this case is in some respects similar to that of Pomahaka, and might also receive attention.

#### NATIVE LANDS.

The settlement of the North Island is very much retarded by the extensive areas of unoccupied Native lands that are scattered over it, producing nothing, paying no rates, and yet participating in the advantages of the roads, railways, and other public and private works and settlement that surrounds them.

There are about seven million and a half acres, of which nearly six millions are deemed suitable for settlement. Of the latter, five million acres have been adjudicated on, and the balance has not yet passed the Native Land Court. A considerable area of this land is suitable for close settlement, and much of the balance consists of bush country, which, when cleared and grassed, would make excellent sheep country. The Natives show no disposition to undertake this work, so that, so far as they are concerned, it will probably remain for many years a wilderness, and a harbour for noxious weeds and rabbit pest. This condition of things is a sore burden on the settlers alongside, who, as already mentioned, have to bear the whole weight of local taxation and of boundary-fences, without deriving anything from these Native lands. The Natives complain that they are not free to dispose of the lands, of which they make no use, although willing to do so. Under these circumstances, it would appear that it would mutually benefit both races if these lands, or, rather, a portion of them, were acquired on the principle of the Land for Settlements, and the proceeds placed in the hands of the Public Trustee on behalf of the Native owners. The application of some such principle so as to set free these vacant lands for settlement would be of great advantage to all. There are about forty thousand Natives in the North Island. Ample reservations should be made for their use, which will leave a large area for future settlement.



## POMAHAKA.

This is one of the very few estates which mar the otherwise satisfactory record of the Land for Settlements policy. The area of this estate is 7,266 acres, and of this area after eleven years, 867 acres still remained unlet on the 31st March, 1905. We are forced to the conclusion that the rents on this estate are too high, considering the quality of the land, and many of the areas are too small for profitable occupation. Notwithstanding our strong advocacy of the sacredness of contracts, cases of this sort will have to be readjusted, for it is manifestly against the interests of the State that a considerable portion of this estate should remain tenantless owing to the excessive rent demanded, and that the tenants in occupation should be held liable for rents that they are often quite unable to pay.

The loading for roads on this estate was 14s. 5d. per acre, and as this expenditure was more of the nature of relief-works than economic roading under which value for the expenditure was hardly contemplated, it is not fair that the full cost should be charged to the estate.

## OTAGO WATER-SUPPLY.

In central Otago there are great possibilities in the further development of fruit-growing. There has been signal success in a small way during past years in growing stone and other fruits, and now that railway communication is opening the country out, the fruit industry will have the means of safe and rapid transit to the markets of the colony. From Wanaka to Moa Flat, below Roxburgh, along the banks of the Clutha River, there is a stretch of seventy miles of low-lying country proven to be admirably adapted in its dry, hot summers and frosty winters for the growth of fruits, but depending largely on irrigation for further development. Water-conservation and water-rights are therefore of the greatest consequence to the future of the district. Many of these water-rights have already been secured by the mining industry, but it would be advisable to find out by survey what natural basins and dam-sites there are for storage purposes, and reserve them for future irrigation. In this part of the colony the water is the life of the land. Bare patches of apparently poor soil along the base of the hills, not worth £1 an acre in its natural state, irrigated by a trickle of water and planted with fruit-trees, and properly attended to, is worth in a few years many times its original value.

## DESTRUCTION OF LAND BY GOLD-MINING.

Evidence was given before the Commission showing that in a few cases valuable land was being destroyed by dredging and sluicing for gold. One witness stated that much of the destruction of alluvial flats by dredging could be avoided by the use of means which did not add materially to the cost of the process. If this is proved to be correct, the use of some such means should be insisted on in all such cases, and some check should be placed on the destruction of land where the net yield of gold is not equal to the value of the land for other productive purposes.

## UNUSED RESERVES.

Considerable portions of reserves for timber, minerals, and gum do not now contain the product for which they were reserved, and we would recommend that any portion of a timber reserve should, as soon as cut out, be opened for settlement, thus avoiding the extra expense by regrowth of scrub, noxious weeds, &c. That mineral reserves proved or supposed to be non-auriferous be opened for settlement under a secure tenure, subject to mining reservations if afterwards found to be auriferous. Gum reserves after being opened to gum-diggers for a sufficient number of years should then be available for settlement when suitable.

## PREFERENTIAL TREATMENT.

A complaint brought under the notice of your Commission was the preferential treatment accorded some tenants of special settlements. In many cases the original tenants on these settlements were restricted in their choice

of tenure to lease in perpetuity. Sections surrendered or forfeited were afterwards offered under the optional system, and sometimes at a lower rent. This is considered unfair, as the original tenants encountered all the hardships, and they now feel in a less favourable position than that of the newer settlers. We think the Act is faulty in allowing this differentiation.

#### PAEROA TOWN LEASES.

In the evidence taken by the Commission at Te Aroha an unsatisfactory state of things in reference to a number of Crown leases of town sections at Paeroa was disclosed. Documents were submitted showing that the holders of these leases had been promised by the Commissioner of Crown Lands that the freehold of their sections would be submitted to public auction if they would surrender their existing leases. This they had done, but up to the present the promise had not been fulfilled, although over twelve months had elapsed.

Your Commission is of the opinion that this case is worthy of inquiry.

#### GRAZING-FARMS AT CHEVIOT.

A petition signed by twenty-three holders of leases of small grazing-farms at Cheviot was presented to the Commission whilst sitting at Mackenzie. The prayer of the petition was to the effect that the holders of these leases, which were for a term of twenty-one years without any right of renewal, should be granted a renewal for a further term of twenty-one years at a rental to be fixed by valuation.

A deputation, representing the petitioners, in evidence stated that the uncertainty about the future disposition of their farms had a very unsettling effect, causing them to suspend further improvements. The clause in their leases allowing valuation for improvements was unsatisfactory, nothing being allowed for land ploughed and laid down in grass, surface-sowing, or plantations.

The request of these lessees for a more secure tenure seems a reasonable one, stability of tenure being essential to good settlement.

Your Commission think that in respect to any portion of these farms not required for further close settlement this request should receive consideration.

#### REBATE OF RENT.

The administration of "The Crown Tenants Rent Rebate Act, 1900," was referred to in evidence brought before your Commission, and it was stated that the intention of the Act was not being adhered to—viz., "to encourage the punctual payment of rent"—but that tenants were receiving differential treatment, the price of their land affecting the amount of the percentage allowed.

The amount of rebate is left to the discretion of the Commissioner of Crown Lands and the Receiver of Land Revenue for their respective land districts, and is anything up to 10 per cent. This discrimination places these officers in a difficult position.

We would recommend that, if the system of rebate is to continue, it should be fixed at a definite rate per cent., and the Act be carried out as intended, as an encouragement for the punctual payment of rent, without discrimination.

#### PUNAKITERE SETTLERS.

These settlers took up their land as Crown tenants, and the Crown handed its right over them to the Parnell and Auckland Boroughs. Evidence was given that such action has caused tenants great annoyance, and rendered them liable to disabilities which they did not lie under as Crown tenants. We consider it a case where prompt action should be taken to set right an old grievance. We understand that the matter has been before the Government on more than one occasion. We have not sufficient information of the case to make any definite recommendation, other than to state that the settlers who came before us are dissatisfied, and, if possible, all occasion for that feeling should be removed.

## NOXIOUS WEEDS.

Your Commission is of opinion that immediate attention to stay the spread of Californian thistle, ragwort, and other noxious weeds is necessary all over the colony, but the two former more especially in the Southland District, where they are spreading to an alarming extent. It has been stated in evidence that river-beds and Crown reserves are a hotbed for these weeds, and it is generally admitted they exist more or less all over the colony in Crown lands.

If permitted to spread, the value of property where they exist must depreciate very materially, as stated in evidence. Several sound and experienced farmers stated that Californian thistle cannot be eradicated without considerable expense on open agricultural land, and the land cannot be used for two years during the process. If such be the case in this class of land, what will be the result in bush and broken country?

We cannot too strongly recommend that this matter should have earnest and immediate attention.

JAMES MCKERROW.

ROBERT HALL.

WILLIAM WILSON MCCARDLE.

JOHN MOORE JOHNSTON.

WILLIAM BROOKLYN MATHESON.

W. A. MCCUTCHAN.

GEORGE WILLIAM FORBES.

DONALD MCLENNAN.

J. T. PAUL.

JNO. ANSTEY.

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No. 1 REPORT ON TENURES.

- (2.) 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.

In the disposal of Crown lands under "The Mining Act, 1891," "The Land Act, 1898," "The Cheviot Estate Disposition Act, 1893," "The Land for Settlements Act, 1894," "The Mining Districts Land Occupation Act, 1894," "The Lands Improvement and Native Lands Acquisition Act, 1894," "The Bush and Swamp Crown Lands Settlement Act, 1903," while there are twelve designations under which lands may be acquired or occupied, they are all reducible to four tenures—viz. :—

(1.) Cash purchase,

(2.) Occupation with right of purchase,

(3.) Lease in perpetuity,

(4.) Lease or license for varying periods without right of purchase—

and these again to the two tenures of freehold and leasehold. In the evidence given before the Commission nearly every witness expressed a preference for the one or the other of the two tenures.

Throughout the colony a general desire to acquire the freehold has been expressed by witnesses, the favourite tenure being the occupation with right of purchase.

A considerable number also testified in favour of the re-enactment of the deferred-payment and perpetual-lease systems, now only in operation in working out engagements entered into while these tenures were in force. It may be mentioned here that the Land Conference suggested the reintroduction of the deferred-payment system.

The main objections urged against the lease in perpetuity are: The difficulty of obtaining money on it as a security, the fear of revaluation, and that the settler is precluded from investing his savings in his own holding. The difficulty of obtaining adequate advances, either from the Advances to Settlers Office or from private sources, was much in evidence from numerous witnesses;

and the fear of revaluation, and by implication breach of contract, is also very general, due, as many witnesses affirmed, to what they read in the public Press of proposals to that effect. Even if the fear of revaluation were removed, it is evident that there is a deep-seated desire to have the freehold; something, as settlers, say, they can call their own, free from restrictions, inspections, and paying of rent. To obtain the right of freehold they would willingly pay up, with interest, the difference between the 4 per cent. rent they are paying now on the capital value under lease in perpetuity and the 5 per cent. paid by settlers who hold under occupation with right of purchase. On being questioned why they took up land on lease in perpetuity, settlers replied that in some instances the land was opened on that tenure only, and that they had no choice. The land being supposed to contain metal, minerals, or valuable stone, under section 136, subsection (2), of "The Land Act, 1892," it could only be opened on lease in perpetuity, and that where the full option was given lease in perpetuity was chosen to secure the lower rental, but in ignorance of the disadvantages of that tenure afterwards disclosed by practical experience.

Many settlers pointed out that in taking up the rough bush land in the back blocks, felling, clearing, grassing, and fencing it, paying rates and interest on road-formations, establishment of dairy factories, and contributing to the erection of freezing-works, thereby rendering the land productive, their interest in the land in a few years became many times greater than that of the State, and that the increased unimproved value of the land is due to their labour and capital, and that in their case there is no such thing as unearned increment belonging to the State. On the contrary, if accounts were kept between them and the colony as to the cost of bringing the land into a productive state, and they were paid current rates for their labour, the colony would be their debtor, and therefore there is no unearned increment in the case.

In the Land for Settlements there is to some extent the same fear of revaluation, difficulties in finance, and a desire ultimately to obtain the freehold of the land at the original price of the land on which they now pay a rent of 5 per cent. per annum. A number of settlers expressed themselves as quite satisfied with the tenure of lease in perpetuity, and wished to be left alone. Evidence of this is shown by the unwillingness expressed to pay any advance on the original price of the land to obtain the freehold. When confronted with the fact that the value of the land had increased, their argument was that whatever increased value the land may have gained since they took it up is due to their work and improvements, and to the rise in price of produce in the markets of the world, a fluctuating quantity that may soon decline. But even if it should be permanent, it is theirs during the currency of the contract for 999 years to deal with as they may think fit.

It is evident that any sense of insecurity in the minds of settlers must seriously injure rural progress. Stability of tenure is, of necessity, a condition antecedent to and inseparable from the energetic development of the colony's resources. Revaluation of present or future leases would, it is considered, exercise a very harmful effect upon settlement. It is questionable if the remaining Crown lands, which are chiefly of a rugged character and remotely situated, would find occupiers under a system of lease providing for periodical revaluation.

Revaluation for rent purposes, as a feature of land policy in an undeveloped country, is open to even graver objections than in older countries, and it is thought its introduction would unfavourably affect this colony financially and in the estimation of a desirable class of British farmer immigrant as a field for settlement.

It is contended that no private landlord would be so unwise as to grant a 999-years lease without a periodical revaluation clause, and that inferentially it would be equally unwise for the State to do so. The parallel does not hold. The private landlord gets his fixed rent only; the State gets a fixed rental, together with the constitutional right of a further levy in the form of taxation, unlimited, except by the sense of justice of the people; and as this power lies in the hands of the people's Government, the plea for revaluation, with its disturbing and injurious influences, is not well founded.

We are firmly of opinion that in the disposal of what may for distinction be termed the ordinary Crown lands, the option of obtaining the freehold should be granted after fulfilment as subsequently outlined of residential, improvement, and other conditions; this to apply to existing holdings as well as to those in future, the payments to be gradual and extending over a term of years; the instalments to be £10 sterling, or a multiple of £10, as may suit the settler best at each half-year when the rent is due; no certificate of title to issue until all the purchase-money is paid; rent to be reduced proportionally to the payments made in reduction of the original price of the land. The granting of the right to obtain the freehold will be a source of great satisfaction to the laborious settler struggling on from year to year through many obstacles and privations to found a home for himself and family.

Those who advocated the reintroduction of the deferred-payment system admitted that this tenure is open to two objections—viz., a 25-per-cent. increase in capital value of the land, and heavy half-yearly payments during the years that settlers were meeting the heavy initial outlay involved after occupation of waste lands. It was considered that the right-of-purchase option under "The Land Act, 1892," would contain all the advantages of the deferred-payment system, and none of the drawbacks, if the capital value were taken in instalments from settlers after the purchasing clause became operative, with a proportional reduction in rent.

Under the Land for Settlements Act the case is very different. The settler has had the rough pioneer work done for him; the land is improved, accessible, and a going concern ready to produce. Further, the main object of the system is to render the country more productive by settling a larger population on its lands, and to enable settlers to obtain holdings on suitable lands, which they could never do if they had to purchase the freehold of them. Many settlers testified that the Land for Settlements system had been a great boon to them; that without it they never could have got on the land. It has also to be borne in mind that by the Government retaining these improved lands the opportunity is left open from time to time of others in the future participating in the advantages of obtaining on lease what they could never obtain as freehold. From these considerations we are of opinion that there should be no variation whatever in the terms of the contract already entered into between the State and the tenants, nor any variation in future contracts under the Land for Settlements Act.

It is only right to add that there is evidence in favour of the proposal to permit the payment of a part of the capital value, as the tenant could do so in good years with the laudable object of making his farm his bank and reducing the amount of rent, as a precaution against bad seasons or low prices of produce, when the higher amount of rent might be difficult to meet. This has much to commend it, both from the State's point of view and that of the tenant. But on the whole it is thought best not to tamper with the system.

It seems almost unnecessary to accentuate that there should be no infringement of contract as between the State and its tenants. Any serious attempt upon the inviolability of the compact by the State or the State's tenantry is believed to be impossible in any British community. Whilst this is the case, it would be unwisely conservative and non-progressive not to effect modification and changes which time and experience have shown to be necessary to national advancement; and when such changes are considered mutually advantageous by the State and the tenants, legislation in the required direction clearly does not constitute a breach of contract. We recommend,—

(a.) That the lease-in-perpetuity tenure under "The Land Act, 1892," remain on the statute-book.

(b.) That after the sixth year from date of lease holders of leases in perpetuity under "The Land Act, 1892," desirous of doing so, be permitted to convert to occupation-with-right-of-purchase tenure upon payment of the accumulated amount of 1 per cent. difference in rental between the two tenures, with compound interest added, provided the improvements required within the first six years of occupation have been carried out, and also provided the residence conditions have, in the opinion of the Land Board, been complied with.

(c.) That all lessees under the right-of-purchase option of "The Land Act, 1892," be permitted, after ten years' occupancy and fulfilment of conditions, to pay off the capital value of their land in sums of £10, or any multiple of £10, upon the 1st January and 1st July in each year during the currency of the purchasing clause, their rentals being proportionately reduced.

(d.) That changes under heading (b) and (c) apply to present as well as to future leases.

(e.) That undue aggregation of land from any source is undesirable, and should be guarded against by legislation.

(f.) That it be understood that in parting with land for agricultural or pastoral purposes the State retain all mineral rights.

JAMES MCKERROW.

ROBERT HALL.

WILLIAM WILSON MCCARDLE.

W. A. MCCUTCHAN.

\*WILL. B. MATHESON.

\* My signature is attached hereto with the proviso that it does not apply to the paragraph relating to settlers on Land for Settlements.

I am firmly of opinion that such settlers should have the option given them of purchasing the freehold at original upset price as suggested for other Crown tenants.

The reasons stated for right of purchase being given to Crown tenants apply here, and, in addition, evidence has shown that—

(a.) The Land for Settlements Act was not intended to create a rent-revenue, but to settle people on the land. This it is accomplishing, and to give these tenants right of purchase, as is done under the British Land for Settlements Act, would perfect what has proved a very beneficial measure.

(b.) In many cases the increment above the value of visible improvements has been paid for by present occupiers, and carried away by the original selectors.

WILL. B. MATHESON.

#### PASTORAL TENURE.

Under this tenure there are about twelve million acres of mountainous country of an altitude above sea-level varying from 1,000 ft. to 5,000 ft., ending in barrenness and snowfields. It is mostly open country supporting indigenous grasses, which have deteriorated greatly through indiscriminate burnings, rabbit pest, and overstocking. The question of restoring these mountain pastures is very important, as they are the natural breeding-ground of the merino and hardy crossbred sheep, from which the settlers on the lower country largely draw their supply of ewes for replenishing their flocks. Various suggestions have been made in evidence towards accomplishing this object, such as giving greater security of tenure and full valuation for improvements at the end of the lease, so as to encourage the holders to surface-sow new grasses, subdivide the country, rest portions in turn, to foster the native grasses, and to irrigate and cultivate for winter feed.

The terms of the leases are generally from fourteen to twenty-one years, but, as by section 192 of "The Land Act, 1892," the Governor has the power of resumption at any time during the lease on giving twelve months' notice, there is really no security of tenure; nor is there any inducement to surface-sow, as grassing is not included in the improvements at the end of the lease.

The limit of compensation to be paid by an incoming tenant for improvements when there is a change of tenancy is an amount equal to three times the average annual rental paid under the expiring lease, together with the value of every rabbit-proof fence erected with the sanction of the Governor. There is no right to cultivate the soil for winter feed, a very necessary matter where practicable. Moreover, in many cases the low-lying country adjacent suitable for these purposes has been detached for closer settlement, leaving the high summer country denuded of its complement of winter country. It may, therefore, be found necessary to purchase some of the low country back again. With irrigation it is remarkable the quantity of feed that can be grown on a comparatively small area. For instance, in the Manuherikia Valley, Otago, which is the centre

of the most extensive area of pastoral country in the colony, the farm of Mr. John Wilson, of about 1,000 acres, situated near Ophir, is an object-lesson as to what can be accomplished by irrigation. In his evidence he says, "I may state that 600 acres, partially irrigated, supported 1,200 crossbred ewes since lambing, and there was 100 per cent. of lambs, and it supported them well. They are all fat. The lambs were prime freezers; there were no turnips in the summer, but I fed with turnips in the winter. Irrigation would make central Otago the most fertile district in the colony."

This great pastoral country can only be improved by the willing co-operation of tenants with capital, and to secure that there must be an absolute security of tenure on lease for a term of at least twenty-one years, with valuation for improvements at the end of the term, and right of renewal at an arbitrated rent. There are a number of ways suggested in evidence that would improve the pastures, such as requiring the tenant to subdivide and rest a portion of the country during, say, from 1st September to end of February, thus allowing the native grasses to ripen and shed seed. The country might be stocked for some months afterwards, and again shut up for another period.

Another way would be to restrict the number of sheep carried during the first five years of the lease, and provide the tenant with a certain quantity of good seed, which he would find the labour to sow. It would be advisable at once to establish experimental plots to test different grasses for the respective districts. The suitability of the native grasses should, however, not be overlooked in carrying out any experiments. The present law restricting the area and number of sheep to be held is considered unsuitable for much of the higher country—it is impossible to work this country except in large blocks—Part VI. of "The Land Act, 1892," should be amended accordingly. In runs within proclaimed goldfields, it would be necessary to have power to reserve to the tenant the area that he was allowed to cultivate during the currency of his lease. It would also be desirable to have power to make exchanges of land for suitable areas for cultivation and sites for homesteads.

#### SMALL GRAZING-RUNS.

This is an important class of agricultural—pastoral country which, in the Middle Island, has been promoted to some extent to the detriment of the higher country held under pastoral tenure. As it may become desirable to resume some of the country held under this tenure, it is unfortunate that "The Land Act, 1892," provides no power of resumption at the end of twenty-one-years lease; there is only the power of revaluation—the holder has the right of perpetual renewal.

It will be advisable to amend the existing law so as to have the power of resumption at the end of each twenty-one years, as in the Land Act of 1885. Of course, there must be no interference with the contracts entered into under the existing law, but the future lands taken up on this tenure should be subject to resumption if required for closer settlement.

#### VALUATIONS.

Dissatisfaction has been expressed in regard to the method of apportionment of values laid down in "The Government Valuation of Land Act, 1896," and amendments of 1900 and 1903, under the headings "Capital Value," "Unimproved Value," "Improvements," and "Value of Improvements." Examination of the statutory definitions of these terms, together with the information obtained from inquiry into their practical application to valuation-work, indicates that faults exist. Evidence very clearly exemplifies the extreme difficulty of distinguishing with any degree of accuracy between "unimproved value" and "value of improvements," and it would seem that, despite every precaution by the Department to equitably divide these, the tendency is for the unimproved value to unavoidably increase at the expense of the tenant's improvements. It would appear that ground for graver dissatisfaction arises from the fact that the valuation "definitions" in effect compel the Department to credit to "unim-

proved value" the whole of the increased value given to the land by the settler's outlay, in loans and rates, for road and harbour works, and the establishment of dairy factories, freezing-works, &c. In the case of Native, education, grazing-runs, and other leases of similar character, where the second-term rentals are based upon the value of the land, less the tenant's improvements, injustice to present lessees must result from existing methods of appraisement of values. The position is outlined with distinctness in Mr. J. J. Elwin's sworn statement in connection with West Coast Settlement Reserves, page 1130 of the evidence. Change is necessary, and, in view of the intricacies of the matter, careful attention is required.

JAMES MCKERROW.  
 ROBERT HALL.  
 WILLIAM WILSON MCCARDLE.  
 W. A. MCCUTCHAN.  
 WILL. B. MATHESON.  
 J. L. JOHNSTON.

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## No. 2 REPORT ON TENURES.

### (2.) 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 tenures upon which the Crown lands can be obtained and occupied in New Zealand are: Cash, occupation with the right of purchase, lease in perpetuity, village settlements, Special-settlement Association, improved-farm settlements, occupation leases under "The Mining Districts Land Occupation Act, 1894," agricultural lease, small grazing-runs, pastoral runs, miscellaneous leases or licenses. Of these the main tenures are five, as under: Cash, occupation with the right of purchase, lease in perpetuity, small grazing-runs, pastoral runs.

The other tenures are modifications of one or other of these to suit special conditions of districts or settlement. These forms of tenures have been responsible for a vast amount of good and solid settlement, the result of which is making itself felt in the increasing volume of our exports. In every stage of history time brings changes, and to-day we have to face the fact that, instead of vast areas of virgin land being in the hands of the Crown crying out for settlement, out of a total of sixty-six million acres we have only about eight million fit for settlement remaining, much of which is poor and almost worthless. We think the time has arrived when the position should be examined carefully before the last remnant of the public estate is parted with.

We, your Commissioners, after having taken evidence from one end of the colony to the other on this subject, feel that the opinions of many witnesses must be largely discounted on account of an unconscious bias, caused by individual interests and political leanings.

The "desire for freehold" which was prominent in much of the evidence brought before the Commission during its travels is, in the opinion of your Commissioners, amply provided for in the vast area of land in the colony held under that tenure at present.

A large number of the witnesses who favoured the freehold were already holders under that tenure; in many cases owning large areas, and admitted having little or no experience of leasehold. Some of these expressed great concern for the Crown leaseholders; but, as can be seen on reference to the evidence of most of the Crown tenants themselves, combined with the fact that only an exceedingly small proportion of these came before the Commission, they are well satisfied with their tenure, and resent any suggestion whatever of interference with their titles.

We cannot deprecate too strongly the action of political and other organizations in fomenting an agitation for the upsetting of existing titles.



We believe that interference with existing titles in any direction is dangerous and likely to establish a precedent which would have an unsettling and extremely unsatisfactory effect on the people of the colony. If a title can be granted to-day and repudiated to-morrow by either the State or its tenants, we fail to see how any stability can exist or solid progress be made. Your Commission would therefore lay down the principle that no alteration of existing tenures should be allowed in any case, except on payment of full compensation therefor. The provisions of a title should be held sacred, excepting in cases where it is found to conflict with the interests of the community as a whole. Then, and then only, on the payment of the fullest compensation, should it be terminated or its provisions varied.

We recommend that provision should be made by statute securing to all tenants under proper limitations the right to full valuation for their improvements, and this should be made to apply to tenants on all public reserves.

It must be recognised that there are two interests in the lands of the colony—the State's and the tenant's—and a system of tenure to be fair and equitable must conserve the interests of both parties; therefore, all future leases for Crown lands should contain a provision for the periodical readjustment of values. It is of the utmost importance that a large area of land should be maintained under a leasehold tenure by the Crown for the benefit of men with limited means who are unable to buy freehold, and, as the area of land remaining in the hands of the Crown is very limited, it would be a wise provision to retain it for that purpose.

A serious objection to parting with the freehold of these lands is the probability that they will be required for closer settlement in the future. An area which is considered moderate to-day very probably will be too large when the population of this colony will have doubled or trebled, and will then require to be repurchased at a greatly enhanced figure. The high prices being paid for the acquisition of the large estates to-day should be an object-lesson in this respect.

Two things stand out as essential to the successful occupation of land—viz., security of tenure and good access. The evidence taken by the Commission in the bush districts of the colony emphasize the fact that the question of roads is of far greater importance to the settler, and a far greater factor in his success or failure than any question of tenure.

The remaining Crown lands are situated in districts remote from settlement, and, from their rugged and inaccessible nature, will require a large expenditure in roading, more especially in the bush districts, before settlement can be effected; in fact, in most cases the cost of satisfactory roading will exceed the value of the land. This was emphasized by Mr. Robinson, District Road Engineer, in his evidence before the Commission at Wellington, in dealing with the estimated cost of roading near Utiku, in the Awarua Block of Crown land, just opened for settlement.

It is in the first few years of settlement that the settler requires the most assistance. Good roads should be afforded him immediately, or within a reasonable time of his taking up his holding. Any financial assistance required should be liberally afforded by the Advances to Settlers Office, and for the first few years his contributions in the way of rent should be made as light as possible, even in some extreme cases an exemption altogether for a period up to ten years.

It is on this system that your Commissioners believe that future settlement should proceed, and as a large expenditure by the State will be required to carry out its conditions—viz., good roads, and in some cases relief from rental for several years, a tenure which may possibly recoup the State in the future for this outlay, should be substituted for the present forms.

We therefore recommend a lease in perpetuity, with readjustment of rental by arbitration at periods of, say, fifty years for the first term and subsequent periods of twenty-one years, the tenant's interests in his improvements to be fully conserved to him in all cases, the value of which to be also fixed by arbitration.

## CROWN LANDS UNDER THE LAND FOR SETTLEMENTS ACT.

There is a great difference between the conditions of settlement under this Act and those of the ordinary Crown lands. Most of the land acquired for settlement has been open land in a highly or partly improved condition, within reasonable distance of satisfactory markets, with good means of access by road, and, in most cases, in close proximity to railways. The evidence that came before us pointed to the fact that the tenants were generally in a prosperous condition, and the land was reasonably rented, the estates bought in the earlier stages of the Act being especially so. This Act, which has proved a great boon to the men and women who are settled on the land under its provisions, has a weakness, inasmuch as the tenure on which it has effected this settlement gives the land at a fixed rental for all time. This, in the opinion of your Commissioners, is unfair to the taxpayers, whose security is pledged to provide the money for the purchase of the land, as they are responsible for any loss that might occur, but are debarred from participating in any profit arising out of an increase in value.

As the State is responsible as a partner in the case of the failure of its tenants, it is fair and equitable that the full conditions of partnership should be insisted on in the future—for better as well as for worse. A lease in perpetuity, similar to that which we recommend for ordinary Crown lands, should be the tenure on which future lands under this Act are opened for settlement, with the exception that the first term should be, say, thirty instead of fifty years, as the more favourable conditions under this Act do not necessitate so lengthy a first period.

## SMALL GRAZING-RUNS, ETC.

Some of the tenures on which small grazing-runs are held do not provide for power of resumption at the end of the present leases. In others there is insufficient provision to protect tenant's improvements, and in others no right of renewal. In all these cases a secure tenure, conserving to the tenant his interest in his improvements and a right of renewal, should in future be given, subject to the right of the State to resume in part or in whole any portion required for closer settlement.

## PASTORAL RUNS.

About twelve million acres of land in the colony are held under this tenure, the great bulk of which is mountainous country and snowfields, of very little value except for grazing purposes. The condition of this vast area of country deserves serious consideration. Its grazing capabilities are steadily diminishing. This was emphasized by Mr. Humphries, Commissioner of Crown Lands for Canterbury, who, in his evidence before the Commission, stated that "in 1891 there were 147 runs, comprising 3,140,000 acres, yielding a revenue of £11,491, or 3½d. per acre, and in 1905 there were 151 runs, with an area increased to 3,528,892 acres, but the revenue had decreased to £34,078, or 2½d. per acre."

He further says "that indiscriminate and excessive burning of native grasses, overstocking, and no periodic seasons of rest to enable the grass to seed or recover itself, were in a large measure responsible for this."

The Commission heard a large quantity of evidence on this question, and it supported to a large extent Mr. Humphries' conclusions, with the addition of the rabbit as another responsible agent in this deterioration, but this pest was now being kept in check, and its harmful effect in the future would be much minimised.

As it is of the greatest importance to the colony that this deterioration of the public estate should not be allowed to continue, your Commissioners would recommend that every encouragement be given to the holders of these pastoral runs to adopt a system of grazing which will tend to bring the land back to its original carrying-capacity.

In the opinion of your Commissioners such encouragement should take the form of an absolutely secure tenure—a lease for a term of twenty-one years, with valuation at the end of the term for improvements, including grassing—necessary for the economic working of the run—and right of renewal at arbitration rental.

#### MINING DISTRICTS.

In mining districts where this industry has hitherto been paramount, it has been considered necessary to protect mining interests often to the extent of withholding all protection from the interests of farming occupiers. On most of this land it is now quite possible, and we think it necessary, to give the tenants a secure tenure as to conservation of his improvements and continuous occupation, subject to mining rights, on payment of fair compensation for actual damage done or resumption where necessary.

GEORGE WILLIAM FORBES.

DONALD McLENNAN.

J. T. PAUL.

JNO. ANSTEY.

\* J. L. JOHNSTON.

\*My views are expressed in this report on tenures, except wherein it refers to the further selling of ordinary Crown lands, as I am of opinion a Crown tenant is entitled to obtain his freehold when he has completed improvements on his property representing three times the original upset value of the land when taken up by him; improvements not to include buildings of any kind, dip, stockyards, or garden, but to include main draining, fencing, bushfelling, stumping, irrigation, planting, and private roading where necessary to give access to a portion of the property; no extravagant improvement not covered herein to count. I differ in length of lease, believing it should be only revalued at end of not less than fifty years, and I think a tenant should have a preference at time of revaluation to the extent of a 2½ per cent. reduction in his annual rental. As the following points were not acceptable to the rest of the Commission, I beg to emphasize them:—

#### REFERENCE NO. 1: LAND BOARDS.

If the Board consists of four nominated members, three should be farmers; if five or six nominated members, it should consist of four farmers. The services of a good business man with some knowledge of land or settlement would be of advantage to the Boards.

#### REFERENCE NO. 7: BALLOT.

That the Land Board, when examining applicants for ballot, should accept a certificate from the manager of any bank or reputed financial institution trading in the colony in proof of his financial position.

That the name, address, and particulars of any Crown tenant disposing of his property on any settlement should be circularised to each land district, and a record kept for future reference in case of such ex-tenant wishing to ballot again.

#### REFERENCE NO. 10: ADVANCES TO SETTLERS.

To enable settlers to borrow to advantage privately, and to give the mortgagee sufficient security to insure a low rate of interest, I would make the following suggestions:—

(a.) The fact of the Land Board consenting to a mortgage to protect the mortgagee against forfeiture, in other words, responsibility should be thrown on the shoulders of the Land Board when they consent to a mortgage, and when once they have consented, this should be an absolute guarantee to the mortgagee against forfeiture.

(b.) The mortgagee to be responsible for rents, and to be called upon to pay the rent whenever overdue.

(c.) The mortgagee to be advised whenever the tenant is not keeping the covenants of his lease, and when the Land Board consider the tenant's interest in the lease should be forfeited, this to be done so far as the tenant is concerned, the mortgagee then taking the place of the tenant, and being called upon to put a man into possession to properly carry out all the covenants of the lease within, say, three months, pending a sale of the lease to another tenant (within two or three years) who can make the necessary declaration, and who will be accepted by the Land Board.

(d.) The mortgagee only to be permitted to recover from the sale of the lease sufficient to cover the amount of his debt as well as any reasonable expenses incurred, together, of course, with interest to date of recovery.

(e.) Providing the mortgagee is as fully and fairly protected as possible, it will not be unreasonable to limit the rate of interest on mortgages to be consented to by the Land Board, but it must be remembered that leases merit a higher rate. There is more trouble in connection with them, especially in the consideration of the loan in the first instance in arriving at a proper valuation, and afterwards a mortgagee must see that the tenant is fulfilling the conditions of his lease, and paying his rent, rates, &c.

Amending legislation might also provide that any time within, say, two years of the mortgagee entering into possession, the lessee or the Land Board at any time, upon finding a suitable purchaser, can pay the mortgagee his principal, interest, and costs, and the mortgagee must then give up possession.

Should no purchaser be found within two years, the mortgagee must then put up the land for sale through the Registrar of the Supreme Court, and at this sale he should have the right to buy in. If he is obliged to buy in, he should become the owner of the Crown lease without having to make the declaration, and without having to personally reside, such other restrictions being provided for as may be thought desirable.

In the case of banks, insurance institutions, &c., as mortgagees, it would be impossible for them to reside or to make the declaration so far as area is concerned, as it might always happen that they owned more land than allowed under the Act.

In amending the Act, it should be made absolutely clear what a mortgagee's position is, what he may do, and what he may not do, and under what circumstances—if at all—his interest in the leasehold can be forfeited.

#### DESTRUCTION OF PROPERTY BY RIVERS.

Evidence was forthcoming in many districts regarding the damage done by rivers in washing away valuable land of Crown tenants, in some instances to a considerable extent. It is manifestly unfair that areas thus destroyed should continue to be subject to rental, rates, or taxes.

#### RENT SINKING FUND.

Considerable evidence was given of tenants wishing to pay off some of their capital in good years, and so prepare for bad times. I would recommend that Crown tenants should be allowed to pay into what might be termed a rent sinking fund any amount they wish to stand against future rents, the Government allowing interest on the balance standing to the credit of the tenant at the same rate per cent. as he pays on the capital value of his holding. A system of this kind would be of great advantage to the settler by allowing him practically to prepay his rent for a number of years and still lose nothing on the investment.

J. L. JOHNSTON.

#### EDUCATION RESERVES.

There were a number of tenants of education, school, and college reserves who gave evidence to the effect that, while they had no objection to urge against the School Commissioners *per se* as to their administration, yet they felt aggrieved at the limited power and discretion they exercised in the matter of improvements, and generally the want of elasticity in dealing with exceptional circumstances, and the wish was expressed to come under the administration of the Land Board, and so obtain the greater advantages of the tenures under "The Land Act, 1892." But for the fact that the School Commissioners have long been administering these education reserves, and necessarily have acquired much knowledge in connection therewith, it would seem that the education reserves could very well be administered by the Land Boards, seeing that all surveys, plans, and technical work are executed by the Lands and Survey Department, and that some of the Commissioners of Crown Lands and some of the members of the Land Boards are also School Commissioners and that practically the main function of the latter is to collect the rents and pass them on to the credit of the Education vote. It seems an unnecessary duplication to have both bodies working in the same district with their respective inspecting officers crossing each other in their visits to the several properties. Now that the receipts from the reserves are colonially applied, no doubt one body in each land district would be deemed sufficient for the duties now performed by the two.

We concur in this paragraph on education reserves.

JAMES MCKERROW.  
ROBERT HALL.  
WILLIAM WILSON MCCARDLE.  
WILL B. MATHESON.  
W. A. MCCUTCHAN.  
J. L. JOHNSTON.

We now return to Your Excellency the Commission with which you honoured us, together with this report. The evidence and Appendix are being printed, and will be forwarded to Your Excellency as soon as possible.

Signed, for and on behalf of the members of the Commission, by

JAMES MCKERROW, Chairman.  
J. L. JOHNSTON.  
W. W. MCCARDLE.  
WILL B. MATHESON.

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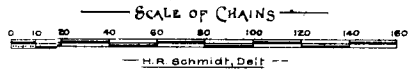
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# Plan of the ROSEWILL SETTLEMENT

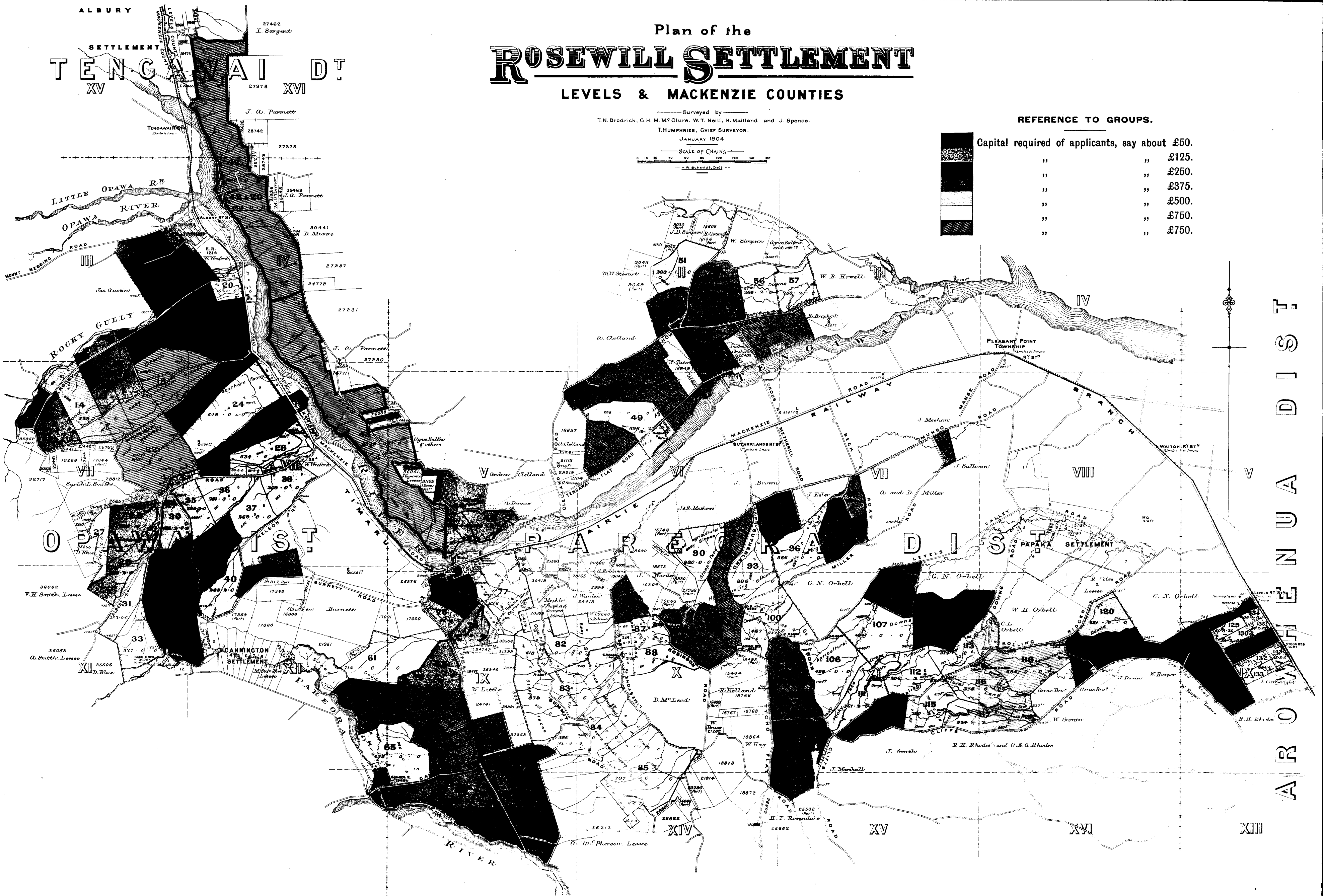
## LEVELS & MACKENZIE COUNTIES

Surveyed by  
 T.N. Brodrick, G.H. M. McClure, W.T. Neill, H. Maitland and J. Spence.  
 T. HUMPHRIES, CHIEF SURVEYOR.  
 JANUARY 1904

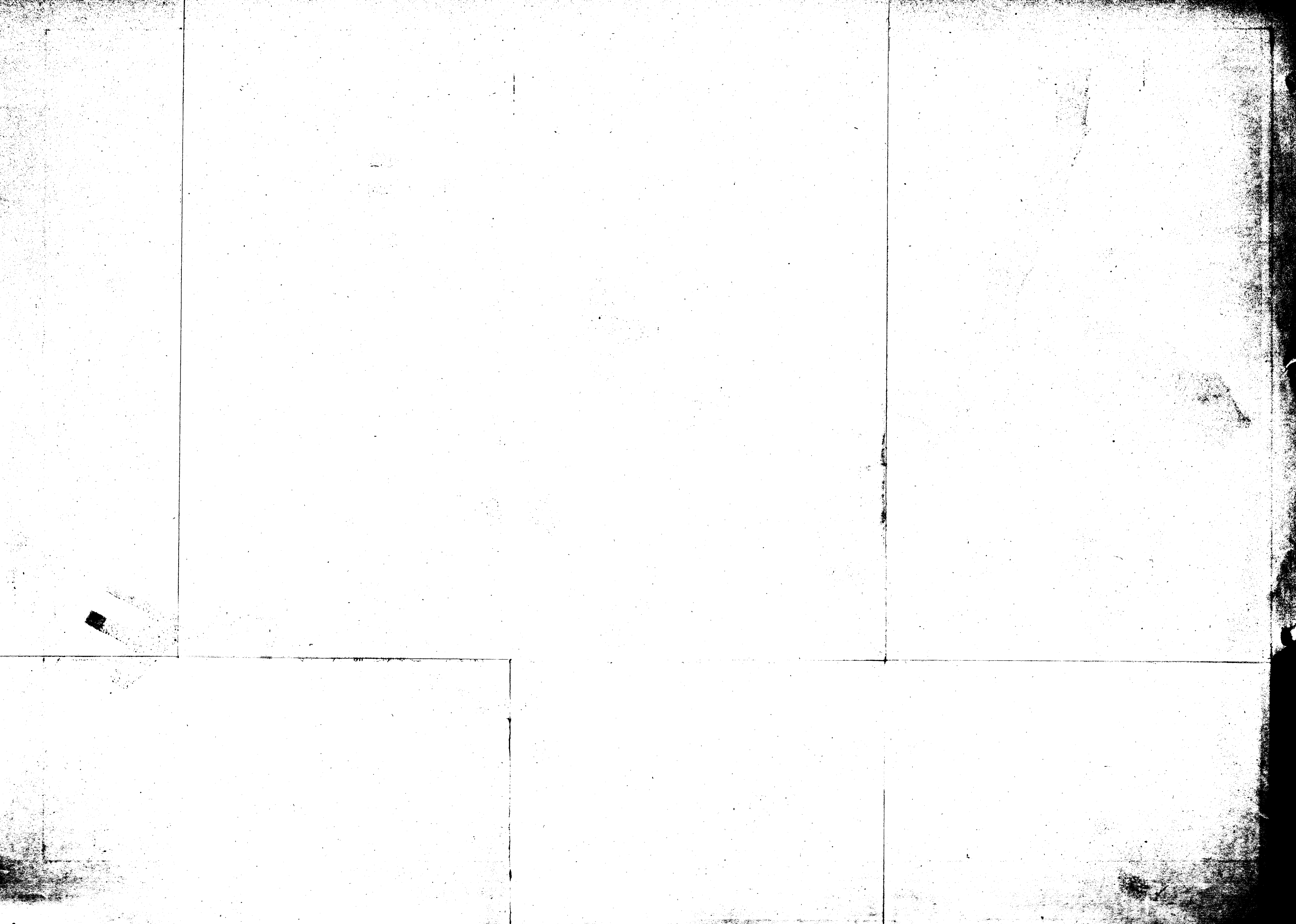


### REFERENCE TO GROUPS.

	Capital required of applicants, say about £50.	
	"	£125.
	"	£250.
	"	£375.
	"	£500.
	"	£750.
	"	£750.



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## MINUTES OF EVIDENCE.

INVERCARGILL, TUESDAY, 21ST FEBRUARY, 1905.

WILLIAM BENJAMIN SCANDRETT examined.

1. *The Chairman.*] What is your official position?—I am Mayor of Invercargill.

2. How long have you been in the colony?—About forty-seven years.

3. Have you ever engaged in farming pursuits?—No.

4. But I have no doubt, from your long residence and observations, you are in a position to give us some valuable evidence on the questions we have to inquire into. We shall be very glad if you will give us a statement of your views on the land question, or any particular part of it?—The first item referred to is the constitution of Land Boards. So far as Southland is concerned, I think we are perfectly satisfied with the mode of constitution of these Boards. It had occurred occasionally in the past that a good man had been put off and another man had been put on, but that is inevitable under a political system. In my opinion, the Land Boards have done excellent work in Southland. They have acted fairly towards the Crown tenants and towards the State, and I do not think that the advantage to be gained by the election of the Land Boards would be commensurate with the expense attending it. Moreover, a very large proportion of the people would take no interest in the election, and would not vote, with the result that the Land Boards would be elected by the leaseholders, and that would not be in the interest of the colony. Then, so far as the land-tenures of the colony are concerned, I am entirely in favour of the present system, with one exception—viz., I think the leaseholders should be given the option of purchasing the freehold. I regard the lease in perpetuity practically as a freehold so far as the next ten or fifteen generations are concerned, subject to an annual charge which is a reasonable charge on the present value. But there is something in a man which makes him desire the freehold. Fully one-half of the early settlers came to New Zealand with the intention of getting the freehold of their property because it was impossible for them to acquire the freehold at Home. Of course, that may be sentiment, but I think it is a desirable sentiment. I would only give the option of the freehold. I would not insist on people buying. I think they should have the option of purchasing the freehold in connection with either the perpetual-lease system or lease in perpetuity; and I think the purchase-money might be put into a separate account so that it might still provide revenue for the Government. Of course, that is a matter which the State would have to consider, but I see no reason myself why the freehold should not be purchased. I am a land agent, and have been in that business for the last ten years. Previously I was Town Clerk for twenty-two years. The Municipal Corporations have a good many leaseholds, but, as a land agent, I find that the great bulk of the people will not buy leases if they can possibly avoid it. In a great many cases the wives own the home, or they want to own it, and they make a strong effort to get the freehold. If I offer them a good leasehold they say, "Oh, but I will never own it." That shows the desire of mankind for the freehold. I have not much to say in regard to the question of compulsory residence by tenants. I think that is necessary. The Land Board here, at any rate, has always dealt fairly with the tenants in allowing them an extension where the circumstances warranted it before insisting on compulsory residence. I have no knowledge of the effects of climate and land-configuration, nor am I familiar with the homestead system. I am entirely in favour of the ballot system. The ballot system was first started in Otago, and was afterwards changed to the auction system, with the result that people often got excited at auctions, and paid two and three times the value of the land. The result was that the Government had to pass an Act to allow reductions to be made. The ballot system is fair. What we want is successful settlement on the land, and we get that by the ballot system, because the people only pay a reasonable amount, and generally they are able to pay their way. Under the auction system, when the price of the land is run up to more than its value you do not get successful settlement. On the contrary, you get a struggling settlement, which is not good for the country. I have nothing much to say in reference to the loading of lands for roads, except that it seems reasonable. The next point in the Commission is the value of leaseholds now and at the date of lease. I think that as a rule in this district there has been no increase in the value, except in connection with bush land. Where the land is open tussock land there has been no increase in value of the leasehold outside of the improvements. There may be an increase in some parts of the colony, such as Canterbury, perhaps, where the land is rich; but, taking Southland as a whole, the only improvement in value is due to a man's own work on the land. I think the advances-to-settlers system is a splendid one, and that the Government of the country deserve very great credit for it. It has had the effect of fixing the standard for interest, because private lenders base their rate of interest on the rate fixed by the Government. That has been of immense value to the country. I think that it has been one of the best Acts the Parliament of the country ever passed. I think the aggregation of large estates is against the best interests of the country, and anything that can be done to prevent it will be for the benefit of the State. However, I do not think a man should be stopped from increasing the size of his holding. If he is permitted to do so, it may be good for the district, because a man would probably buy his neighbour out at a higher price than a stranger would give. It may suit him very well to acquire a property adjoining his own. I think that power should not be taken away from anybody, although I think it is against the interests of the country to allow the aggregation of large estates without, at any rate, such provision as now exists in the law for a graduated land-tax. That is all I need say.



5. In your line of business as a land agent no doubt settlers often apply to you for a loan of money?—Yes.

6. Is there any great difference between the rate of interest which a leaseholder and a freeholder has to pay for such accommodation?—I do not think so; but it is almost impossible to get a loan on a leasehold. Putting aside the difference in value of a leasehold and a freehold, you cannot raise nearly the same proportion on a leasehold as can be got on a freehold.

7. You say the rate of interest is nearly the same, but that the amount of the advance is much less?—Yes; in fact, it is almost impossible to get it. If anybody comes to me for a loan on a leasehold I advise them to go to the Government Advances to Settlers Office, where special provision is made to lend on Government leaseholds.

8. Are you aware that sometimes leaseholders apply to the Advances to Settlers Office, and, getting very little encouragement, have to go to a private lender and borrow the money at a much higher rate of interest?—I have no knowledge of that. I know that perhaps ultimately they get the money from private sources. I always make it a point to get the money at the lowest rate of interest.

9. With regard to the aggregation of large estates, is that system going on to any extent within your knowledge in Southland?—No; just the contrary.

10. And the graduated land-tax, to which you have already referred, is presumably why this aggregation has not taken place?—I think it is largely the reason.

11. *Mr. Johnston.*] In saying you have no objection to a neighbour increasing his area, do you mean you have no objection to him increasing it to an unlimited extent?—No, I do not mean that.

12. *Mr. Paul.*] When you say you are in favour of the freehold, do you not think that giving the option of freehold must in the future lead to the aggregation of large estates?—I do not think it would. I think the graduated land-tax would prevent that.

13. *Mr. McLennan.*] Would you be in favour of giving the freehold at the present capital value or at the capital value when the land was taken up, or would you be in favour of putting the land up to public auction?—I think they are entitled to get it at the capital value on which they pay the interest called rent.

14. And what right have the Crown tenants to get the freehold of their holdings any more than any class of the community?—They have no right to it, but I think it would be a wise thing for the State to give them that right. The State would not lose. The State would get money which bears 4 per cent. interest under leases in perpetuity, and, as money is worth 4 per cent. in the market, the State would not lose anything, and the people would have the satisfaction of holding the freehold.

15. But if the majority of the Crown tenants do not want the freehold would it be advisable to make it optional?—I see no reason why it should not be made optional. If a tenant does not want the freehold he will not buy it; but a tenant who does want the freehold should have the right to acquire it.

16. *The Chairman.*] I suppose your remarks cover leases granted under the Land for Settlements Act?—Yes, I think so. I know the Government are buying estates and leasing them only under the lease in perpetuity, but I see no reason why the privilege of acquiring the freehold should not be extended to them.

17. *Mr. McLennan.*] Would you be inclined to give the option of freehold to lessees of educational and municipal endowments, and such like?—No; I think they occupy quite a different position. Municipal Councils and Education Boards are local institutions, and they look for an eternal revenue from these leases. If they sold the freehold the money would soon disappear, but if they are prevented from selling they have a revenue for ever. I think it would be against the interests of these institutions to give them the power to sell the freehold.

18. *Mr. Anstey.*] You spoke just now of the election of Land Boards, and you assume that if Land Boards are made elective the Crown tenants would elect the whole of the Boards, and on that ground you are opposed to any change in the present constitution of the Boards. Do you not think it would be a good thing, while not giving the tenants the right to elect all the members, that they should be represented on the Land Boards by, say, one member elected by themselves? Do you not think that the tenants, who have to pay and obey, should have some say in the election of the Boards?—That point might be worthy of consideration; but I believe the men who at present compose the Land Boards act fairly in the interests of the State and the tenants and the public generally. I think they ought to be trusted. I think, if the Boards are made elective, the great bulk of the voting will be by the leaseholders, because there are few of the general public who take any interest in these matters.

19. Then, you think a tenant, who has to pay, should have no special representation on the Land Board?—I am not in favour of it.

20. Have you any experience as to how the present Advances to Settlers Acts suit the needs of people who require loans?—I have had some experience.

21. Does the Advances to Settlers Office provide loans suitable for farmers' requirements? For instance, my experience as a farmer is that a farmer may require an advance of, perhaps, £500 to-day and nothing to-morrow. Now, does not the Advances to Settlers Office only advance loans after a good deal of red-tape and delay, and then only for a fixed term?—Well, a farmer may pay back a loan from the Advances to Settlers Office to-morrow if he likes, or six months hence, or next year, or he can repay a portion of it if he prefers.

22. Can a farmer raise money from day to day as he wants it from the Advances to Settlers Office?—No. They will increase the loan if you show any warrant for it by extra improvements at some future time.

23. Can the Advances to Settlers Office provide the facilities that a farmer wants for raising money on his stock, and so forth?—No, they cannot do so. That can be much better done by a

private institution that has its agents in the district to see that the stock and other securities are there. All men are not on the same moral plane, and occasionally a lender finds that an old horse has been substituted for a young one.

24. Then, the Advances to Settlers Office is not able to comply with all the needs of the settlers?—No; but it is able to supply any loan required on fixed improvements.

25. You say there is no increase in the value of holdings to-day other than the actual improvements made by the tenants: has that been your general experience in Southland?—Yes, on open tussock lands. I will state you a case: The Athenæum trustees are the owners of 1,000 acres of land a few miles from Invercargill. They leased it twenty-eight years ago at 2s. 6d. per acre, and fourteen years ago it was valued again at 2s. 6d. per acre, and recently it has been valued again at 2s. 6d. per acre. Of course, taking the improvements on some of the farms, the land is worth £5 per acre.

26. Then, there has been no increase in the value of lands in Southland for the last twenty-eight years?—I do not say that. The value has increased, but the increase is in consequence of the improvements.

27. But there has been no increase in the value of the land itself over the last twenty-eight years?—Not in bare tussock land.

28. *Mr. Forbes.*] Has not the Corporation of Invercargill a quantity of land leased out as dwelling sections?—Yes; there are about a hundred and fifty town sections.

29. Is there any feeling they should sell these lands?—The Borough Council is altogether opposed to selling the lands, and the leaseholders have never asked the question, because they know we would not entertain it. The leases provide revenue for all time.

30. On what terms are these leases let?—For fourteen years. At the end of that time the Corporation and lessee each appoint a valuer, who fix the rent for the next fourteen years, and also the value for the improvements. Then that particular section is advertised at an upset rental. As a rule, with only two exceptions in the last thirty years, the original leaseholder has again secured the section. It was always recognised that the rent was a fair one, and that the leaseholder has a prior claim.

31. But the occupier has no option at all: the section is put up in the open market at the end of the term?—Yes.

31A. And the lessees are satisfied with this arrangement and with the terms?—They have never expressed any general dissatisfaction.

32. If borough leases can be received with satisfaction, would not the same satisfaction be felt by Crown lessees if the Government went on the same lines?—If a man takes up a lease under certain conditions he does so with his eyes open, and it is his duty to carry them out.

33. It has been represented that the Crown tenants are not satisfied with the conditions of their leases throughout the country, but do you find that the lessees of the Borough of Invercargill are dissatisfied with their terms?—No. I know the Crown tenants are anxious to purchase the freehold, because in some cases they could borrow money much easier. Generally they could effect more improvements and place themselves in a position to borrow more money. I find it is easier to raise money on freehold than on leasehold properties.

34. That is your experience of Crown tenants, but it is exactly opposite to your experience of borough lessees?—I do not know that there is much difference.

35. I understand these leases are wholly town leases?—We have some country land.

36. Is that leased on the same terms?—Yes. It is bush land, and brings in very little revenue in the meantime, although it is very close to Invercargill.

37. *Mr. McCardle.*] You have some experience of the working of the Advances to Settlers Office: do you know on what basis they make advances to leaseholders?—Up to half the value of the improvements.

38. Do you think that is a satisfactory plan for the leaseholder?—Well, improvements are liable to decay, and it is the duty of the Government to protect its money. I am not quite sure that they ought to lend more than that.

39. Do you not think it would be far more equitable if advances were made on leaseholds on the same basis as they are made on freeholds—namely, up to three-fifths of the valuation?—As a rule, I think the Government, in making these advances, gives three-fifths on the freehold and one-half of the value of improvements in the shape of buildings. Well, the principle is the same, but you must be very careful in lending on leasehold.

40. You have mentioned the question of restricted area: have you thought out what form that should take, or the acreage of land a man should be entitled to hold?—That depends on the quality of the land.

41. Knowing that under the Land for Settlements Act the Government gives 640 acres of first-class land and 2,000 acres of second-class land, do you think that the same principle, if applied to the general settlement of the country, would be suitable for the people?—I think, perhaps, that it would be in the interests of the country, although 640 acres of first-class land would be a very small area for a pushing man. It is a very difficult question to deal with. I think there should be some limit, but in fixing it I think the Government should be guided by the circumstances surrounding each case.

42. *Mr. Hall.*] You are aware that in certain parts of New Zealand there are large country endowments?—Yes.

43. And you would not advocate a policy of selling these endowments?—I would not.

44. When you speak of Crown tenants obtaining the right to purchase the freehold, do you include the tenants on partially improved estates?—Yes.

45. Would that be fair to the State?—Yes; because the Government would get the value of the land as fixed, and the money would bring them in 4 per cent. interest. There would be no loss.

46. *The Chairman.*] The Government are getting 5 per cent. for the improved settlements under the Land for Settlements Act?—I thought it was 4 per cent.

47. *Mr. Hall.*] You think, if the municipal endowments were sold, the money would be spent and would disappear before long: would not the same danger be present if the Government sold their leasehold lands?—Yes; but the money might be put into a separate account and earmarked.

48. Well, might not the same apply to municipal endowments?—Yes; but the endowments of the local bodies provide them with revenue for all time, and they should not be allowed to sell them.

49. Then, should not the rental from Crown leases be considered in the same light, so that the State might have a revenue for all time?—The Government represents the people of the country, and if it is an advantage to the people of the country, as I think it is, to possess the freehold, they ought to get it.

50. Is it unreasonable to compel tenants who have taken up partially improved land on most liberal terms to adhere to the terms of their lease?—No; they take up the leases with their eyes open, and they are entitled to carry out the conditions of the lease; but I see no reason why they should not have the option of buying the freehold. When I stated that the lessees should pay a price for the freehold that would bring in 4 per cent. to the Government, I thought their rent was fixed on a 4-per-cent. basis. Now that I find it is 5 per cent., I think they should pay a price which would bring in the Government the equivalent of 5 per cent. on a 4-per-cent. calculation. In dealing with the lands of the colony successful settlement should be the first consideration of the State, and not revenue; but revenue is necessarily the first consideration of a Municipal Council—revenue for all time—and consequently municipal endowments must not be sold.

GEORGE RICHARD HILTON examined.

51. *The Chairman.*] What is your occupation?—I am a market-gardener.

52. How long have you been in the colony?—About thirty years.

53. Have you been engaged in market-gardening all the time?—Most of it. In conjunction with that I go in for poultry-farming.

54. Will you just tell us the particular topics you wish to give evidence about?—I stand here as a village-homestead settler at South Invercargill, and I also represent a number of settlers out there who are prevented from coming in to give evidence to-day. I may say I am not in favour of the indiscriminate granting of the freehold. I would only grant the freehold subject to very stringent building clauses. I think all Crown tenants should have the option of the freehold, subject to the condition I have stated. For instance, I occupy 10 acres. Well, in my lease there should have been a clause giving me the right to the freehold, say, at the end of thirty years, providing I have erected substantial dwellings to the value, we will say, of not less than £200. I wish to explain my meaning by stating that there is a freehold property adjoining my land. It is still in a state of nature, and is a serious hamper to me because it is overrun with weeds. I took up these 10 acres some years ago with the idea of going in for poultry-farming. I got plans and specifications prepared to show what I intended to do, and I went to the Government Advances to Settlers Office for a loan. I was then informed that the Office would not entertain any proposal for a loan until the buildings had been erected on the ground. Then I went to all the financial institutions in the town, and I found that not one of them would entertain my proposal because the land was a Government leasehold. They had no faith whatever in a Government leasehold. The previous witness, Mr. Scandrett, spoke of the municipal leaseholds. They are altogether different from the Government leaseholds, because it is a very easy matter to get a loan on a municipal leasehold: you merely have to take your plan and specifications to any building society and tell them you have a municipal lease and intend to do so-and-so. They consider the proposal and give you an answer, Yes or No. After a long time I was able to finance the thing a bit and I got a good building put upon my place. I again approached the Advances to Settlers Office, and, after paying the valuer's fee, the valuer came up and valued my buildings at £235. I got a reply back from Wellington that the Government refused to entertain my proposal. They gave me no reason whatever. I was placed in a very serious difficulty. I wanted money to pay those who had been good enough to stand the chance of my getting a loan. I did not know what to do, and, to cut the story short, I actually had to call in the aid of the member for the district (Mr. Hanan), the Hon. Mr. Feldwick, of the Legislative Council, and the Hon. Sir J. G. Ward, a Minister of the Crown, before I could force the Advances to Settlers Office to grant me a loan. I am not personally acquainted with the Minister, but I wrote him an account of the position I was placed in, and he wrote to the Board and wanted to know why my application was refused, and they then informed me they would give me £75. I think it is a scandalous shame that a settler with sufficient security cannot get a loan unless he has the influence of a Minister of the Crown. Now, the law provides that they may advance 50 per cent. on leaseholds, and I ask you if £75 is the half of £235. This £75 was not enough to meet my requirements, but I was in such a position that I had to take it. I then found that the consent of the Commissioner of Crown Lands had to be obtained before I could get the loan. I want to know what it has to do with him. Further, I had to pay an extra fee of 5s. to get the consent of the Commissioner of Crown Lands. In addition to this, I had to prepare three mortgage deeds, which all meant further expense. Well, in a little while I was so hampered that I was forced to get some money somewhere to pay off my liabilities, and the only way I could do so was by giving a mortgage over the whole of my plant. I have a plant in connection with my business worth £600, and I had to pay 8 per cent. for a loan on that plant. Now, a gentleman in this town told me that if I had the option of the freehold even in thirty years' time he would give me £200 at 5 per cent. on my dwellinghouse alone. He did not ask for any security over my goods and chattels. No one has any faith in a Government lease. I might say there is a general feeling of dissatisfaction amongst the Government leaseholders in the neighbourhood in which I live. They feel they labour under a great disadvantage. I think they should have the option of acquiring the freehold, subject, of course, to a very stringent building clause.



55. I understand that you object, from your experience, to have any dealings with the Advances to Settlers Office?—It is no use to the settlers.

56. And that, after trying to obtain an advance, and using a very great deal of influence in your favour, you had to go to a private lender and borrow money at a very high rate of interest?—Yes.

57. This high rate of interest being charged because of the fact that you had no freehold right either existing or continuing?—True.

58. And your opinion is that if the leaseholder ultimately had the right to acquire the freehold he would be able to borrow money much easier than he can obtain it now?—That is so.

59. And you think at the same time it is very proper there should be a stringent condition in the matter of buildings, and so on, before the freehold is given?—That is so.

60. *Mr. Paul.*] I understand that your personal experience as a next-door neighbour is that the leasehold property is very much better cultivated than the freehold one?—Yes.

61. Would not a financial institution, in dealing with a proposal for a loan, take into consideration a long lease as against a short one?—No; because, as I have pointed out, the Corporation leases here are only for fourteen years, and yet it is a very easy matter to raise money on a Corporation lease, provided you erect a building on it. The Government, on the other hand, must have the whole building finished before they will even entertain your proposal. You will see therefore that the question of a longer or shorter lease does not make any difference. The great thing is to have a proviso in the lease giving the ultimate right to the freehold.

62. Then, it is not exactly the leasehold tenure which is the drawback, but rather the irksome departmental regulations in connection therewith?—That is so.

63. *Mr. Anstey.*] You said you are in favour of granting the freehold, subject to very stringent building regulations, and you suggest that if a man has spent £200 on a 10-acre section he should have the right to secure the freehold?—Yes, say at the end of thirty years.

64. Do you think that regulation should apply to all lands, or do you confine your suggestion solely to village settlements?—I merely cite the 10-acre section as an illustration. I think regulations should be framed to meet the larger settlements also. The value of the buildings to be erected should be increased in proportion to the increase of the size of the holding.

65. You admit that a leaseholder under the Corporation is not placed at a disadvantage with regard to raising loans?—Not in the least.

66. And you suggest the only remedy for it is to give the Government leaseholder the right to purchase the freehold: would it not be just as well if the Government leaseholder were put in the same position as the private leaseholder?—They do not seem to have any faith in a Government leasehold.

67. Is that not because of the fact that there is no power for the lender to foreclose on a Government property?—That is so.

68. It means that in regard to a Government leasehold the lender has no security, and in regard to a municipal leasehold he has?—If a man lent me £200, and I did not pay off the money at the end of the term, he could sell to somebody else, who would have to go and reside on the section, or he would have to reside on it himself. There is the difficulty. The Government will not allow you to relet the land, although I know that regulation is evaded.

69. You told us that you have to pay 8 per cent. interest on your loans: can you inform me if you could have got the money at a lower rate if you had held a Corporation or private leasehold?—If it was other than a Government lease I could get £200 at 5 per cent. on my buildings alone in this town.

69a. You think the stringent conditions attaching to Government leases have rendered the security so unsafe that a much higher rate of interest has to be paid on them than on private leases?—That is so.

70. *Mr. Forbes.*] What amount of improvements had you to offer the Government as security? They had £235 according to their own valuation—that is the value of the house?—Yes.

71. And do you say that a man offered you a loan of £200 on that £235 security?—He said that if I had the right to the freehold even thirty years hence he would advance me £200 on the £235 house. In addition to that, my property is all fenced, and I am putting up other buildings.

72. What was the value of your land when you took it up?—£4 per acre.

73. And what is the value of it now without improvements?—They have assessed it at £6 per acre, but I contested that valuation as a most unjust one.

74. At that rate, if you had the option of the freehold, the man who offered you a loan of £200 would have that extra £2 per acre as security over and above the value of your house?—Yes. He saw himself what I was putting up on the place, and, knowing me also, he was quite satisfied.

75. But the Government Advances to Settlers Office gave you no reason for only offering a loan of £75?—They gave no reason whatever.

76. And £235 is their own assessment?—Yes.

77. *Mr. McCardle.*] Suppose the Advances to Settlers Act was amended so that you were entitled to an advance up to three-fifths of the value of your holding, including improvements, over and above the Government leasehold, would that not meet your case: you would not want to acquire the freehold then?—After I have been on the land some time I by my industry make it worth so-much more than when I took it up. Now, the question is, when I am seeking to raise a loan have I not a right to participate in the work which I have done? Well, the Government say "No."

78. The Government would say "Yes" if the Act was amended?—They say "No" at present; and if I had to sell my place at the present time I would get no benefit for the improvements made on the land—they would only recognise the building improvements.

79. But if the Act was amended so that you became entitled under the Advances to Settlers Act to claim as a Crown tenant up to three-fifths of the improvements you had effected, would not a leasehold suit you equally as well as a freehold?—Yes, it would. I say I have a right to participate in the value of my improvements.

80. How long have you held your present section?—I think, about ten years.

81. And it has been valued at the present time at £2 per acre above the purchase price?—Yes.

82. And you think that is done to bolster up property-values so as to give us a valuable colonial asset when we want to raise a loan?—Yes.

83. How far is your land from the town?—About four or five miles.

84. And do you know that in any other part of New Zealand land similarly situated would be worth £50 per acre?—Not the same class of land, for the simple reason that we get the bulk of the water from the whole district over these sections. That may be good for ducks, but it is not good for growing crops. I object to the valuation because my section, which is very broken and rough, has been valued at the same price as the section opposite me, which can be ploughed from one end to the other.

85. In your idea of improvements you give first place to a house: do you not think that other classes of improvements are more valuable than houses?—No, because houses bring about settlement. Take the case of the man who owns the section next to me, but does not live on it. If we have only a lot of bare land in the district it is not so beneficial to us as if we had a lot of settlers living in the district, and we cannot get these settlers when people are allowed to improve their land without living on it.

86. You cannot produce too much oats or wheat, but do not you think you can produce too many houses?—Well, we have not produced too many as yet about Invercargill. I think South Invercargill is, to use a strong expression, cursed with absentee owners.

87. Well, that is the freehold you are advocating?—No, because I advocate a stringent building clause. Under my plan a man could not take up a section unless he built on it, and a man would not build a house unless he was going to live in it.

88. *Mr. Hall.*] In applying for this loan under the Advances to Settlers Act your security was on the building only?—Yes.

89. I suppose you are aware that in every case of lending on a building the security is based on the insurable value, and not on what the building cost?—I may say that the gentleman who valued for the Government office was a fire-insurance agent, and he offered me a policy of £150 on the building. He said that if I took out a loan of £75 I would have to take out a policy for £150 in favour of the Government.

JOHN McQUEEN examined.

90. *The Chairman.*] What are you, Mr. McQueen?—I am a farmer and am manager of the Southland Frozen Meat Company.

91. You have been a long time in that position?—Yes, I came here forty-five years ago. I was brought up to farming, and I think I can sympathize with the farmers. I understand them pretty well—what they would like and what they do not like. I am, however, a freeholder myself. I may say I have also a lease. I hold 800 acres of freehold and the rest is leasehold. I have also been acting as trustee in an estate. I had the right to lease land, and I was in charge of the leaseholders to see that they carried out the conditions of their lease. I acted as a kind of factor, so that I came into contact with the leaseholders to a considerable extent. I was manager of an estate of 60,000 acres. The run was 60,000 acres—the Knapdale Run. In connection with that run there was a large amount of land to let on the deferred-payment system. A portion of the land was let under that system from time to time. Something like every alternate section was reserved for sale. There was a block of about 10,000 or 11,000 acres that was considered at that time to be too hilly, and therefore not suitable for settlement. That was sold. The late Mr. McNab purchased that, and altogether we had about 13,000 acres that I managed for a great number of years as trustee in the estate, and carried it on until the property was divided into five portions amongst the sons. I continued looking after it for some time after that. In connection with the leasing of this land some of the young fellows leased their land as farms, and we picked out a class of good farmers—that is the important thing, that the man should be a good farmer, if you are looking out for a good tenant—and they have been very successful.

92. Have they purchasing clauses?—No; the land has been sold to them since—that is, to one or two of them—but as a rule there were not purchasing clauses. However, they are good farmers. Certainly there were stringent conditions as to cropping, and in some cases I have had to allow them to vary the conditions. As an instance, I may mention the case of one farmer who sowed his paddock in grass. The seeding season was very unfavourable, and there was a failure: the grass did not take. He asked me to allow him to take another crop off it, and he asked under what conditions I would allow it. I suggested that he should put 2 cwt. of manure to the acre, and said that he could take another crop. However, that is by the way. Speaking of leaseholds, I think that is a splendid system of the Government—leasing land. It enables men who have not sufficient capital to buy the land to farm it. But I think that every lease should contain an option clause at some time or another. I think that if a farmer had that security given to him he would be in a position that his leasehold would be equal to a freehold. In fact, it would be better for some men than the freehold, because it would give them assistance in the way of capital—that is to say, they would get the use of the Government capital in the land, and pay interest in the form of rent. That is a splendid system. I do not suppose there is a farmer—they would be very rare, at any rate—who would prefer a lease to a freehold; but if he had a leasehold with a right of purchase at some future time it is just a question whether he would exercise that right. Some would exercise it no doubt, but I believe that 90 per cent. would continue holding the leasehold,

because they would have all the advantages of a freehold. If he had not acquired the capital to assist him to develop the wealth that was in the land, still he could give security which would enable him to borrow on the best terms. At present, of course, he cannot do that, and the man who had the money to lend would require to be in a position to walk into that farm if the man defaulted. As a rule, we do not find capitalists like that: they are not prepared to take possession of a farm if the man defaults. I do not know whether they would have power to find a man to take the lease. It is a mistake to think that the Government would be inundated with money, as was suggested, I think, on one occasion. It was suggested that if the right of purchase was given the Government would be flooded with money. It would be a gradual process, and I think it would be a very slow process—that is, the money coming back into the Treasury. I think I heard one witness say that farms would be better attended to under leasehold, judging from the case of his own neighbour. I do not think there are many people who hold that view. I dare say there are extreme views put forward as to a barren rock being turned into a flourishing garden, but the tendency would be to farm better on the part of the freeholder than in the case of the leaseholder without a purchasing clause. I do not know that I need occupy your time at any length on that question. I have seen leaseholds where the men did not farm well, and I have seen freeholds where the owners did not farm well; but that was not the fault of the farmer—it was either through ignorance or want of capital. In some cases we see men buying land and cropping the life out of it and then abandoning it. They generally try to mortgage after that, if they have not done so before, as soon as the land is cropped out. They are very foolish people that lend money on land that is cropped out. The farmers in such cases often make a sale to the mortgagee. Reference has been made before the Commission to the Corporation leases. A Corporation lease is not altogether applicable just as it stands; it would not be applicable to the country. The Corporation lease is a very good lease for the town, but it would require to be altered a little to make it suitable to the country. It is not so much the buildings on a farm that are considered. First plant your vineyard and then build your house. That is the principle that is generally followed, and it is generally the best principle—namely, to put up some temporary buildings at first, and then get the farm into order, building the house out of the money you make out of the farm. As to the constitution of the Land Boards, I do not know that I need say much about that. I believe there are some splendid Land Boards, and there are some that are not so good. Whether they could be improved by altering the system of appointment is a matter upon which some persons hold one opinion and other persons another opinion, and I think it is better that I should hold my opinion to myself at present.

93. *The Chairman.*] You have been long acquainted with farming in the Mataura district: can you say how the deferred-payment system has worked in connection with Knapdale?—It succeeded just the same as the settlers do now. Those who had good land succeeded well. Unfortunately, some of the land was very inferior. There were poor men's farms—the men were poor and the poor land kept them poor. Some of the land was so poor that it was not fit for settlement at that particular time. Some of the land was under the margin of cultivation. It might possibly pay to cultivate it a thousand years after this, or, at any rate, some time hence. But in the case of the good land the settlers succeeded. There has been a reaggregation of estates to a certain extent. A man could not make a living off 200 acres of poor land, and consequently his neighbour bought him out. Some men bought out their neighbours for the simple reason that the area and quality of the land was not sufficient to keep a man and his family, and it will be the same under any system of settlement. If you try to put a man on land that is not fit to support him under the present conditions there may appear to be a failure, and there is a failure. The Waikawa land is an instance in point. That land was too poor. One gentleman remarked that the land the previous witness was referring to, if it had been up North, would have been worth a large sum. The man was complaining about his valuation being £6 an acre, and a member of the Commission said he thought he had very little to complain of, because up North the land would be worth £50 an acre. If he could take the climate of the North on to that farm possibly it might be worth that. I do not want to run down our climate, but, of course, climate has a great deal to do with the value of land. Land is less in price down here. But, as I have said, I am not going to run down our district.

94. Regarding the Knapdale Run, some of the land was disposed of on the deferred-payment system?—Yes. Times of depression came, and the farmers were a long way from the market, and a very poor market it was sometimes, and, although they had promised to pay so-much a year, they found in some cases they were not able to do so. Some of them were able to do so, but others were not. A concession was made to some men, and that concession was claimed by the others. Plenty of them were well able to pay. In some cases the arrears were capitalised, and some of them got the land reduced in price. I think it was a mistake that the Government gave way on that occasion.

95. *Mr. Matheson.*] The revaluation?—Yes, it was a great mistake. It might be a hard thing to do, but it would have been better to have evicted them than take the course that was adopted. By combining together these men managed to get the change made. The deferred-payment system was a good one; it ought to be rigidly carried out.

96. *The Chairman.*] You knew the case of the Edendale Estate?—Yes; there was land sold there during a time of boom, and you know what is the natural result.

97. *Mr. Johnston.*] I think that Mr. McQueen is one of the most important witnesses we could get, owing to his long and varied experience in the Southland District, and his opinion is well known to be reliable. I wish to ask him this question: What is the value of land now compared with what it was twenty years ago: has it increased or decreased?—It has increased. We have roads now, and the land has necessarily increased in value.

98. We will take the Chatton district. The land sold at the time you refer to: is it the same value now, or has it increased in value as compared with what it was when it was sold?—Some of the land was sold at too high a price, and it had to go back in price because it was sold above its

value. Some of the men who took up land there were ignorant of the value of the land. It was nice level country, and they thought the land was all right. There was a portion of that land that was only suitable for being taken up in large blocks.

99. Is the price the same now as it was at that time in the case of some of the land?—Some of it is actually less.

100. There was a petition sent to Parliament, and some of the land was reduced in value. Some of the land was sold at £13 or £14 an acre, was it not?—Not so high as that. I think £10 2s. 6d. was the highest price.

101. What was it reduced to?—That was reduced by the Government, I think, £3 an acre.

102. That was originally part of Knapdale?—Yes.

103. Was not the land in the Edendale Estate sold up to £12 an acre?—I could not say.

104. Was not the first land sold at considerably more than £12, and did it not fall back into the hands of the company?—It was sold, and I suppose a mortgage was taken over the land and they had to pay the interest. That is the impression I have. A number of the men were not able to carry out their engagements, and the land fell back into the hands of the company.

105. What is the average value of the land, say, from Invercargill to Lumsden and up to Knapdale and Waipahi—I refer to agricultural land?—I suppose, £4 per acre. There is a lot of country that is of very low value. I have seen land up there that had £2 per acre mortgage on it, and it was valued by the valuer for the County Council at 15s. an acre.

106. How many of the original settlers are on the block that was sold under Mr. Donald Reid's land-administration?—I think possibly from about one-half to two-thirds.

107. And they were successful under the conditions of the leases?—Some of them were successful—those who remained—and the rest went out. But some of those who went out were successful also.

108. Did some of them sell out to advantage?—Yes.

109. So that really it was a successful settlement?—Yes, there is no question about that. The failures were largely due to the nature of the land.

110. And it was leasehold?—No; it was better than the leasehold—it was deferred payment extending over ten years.

111. You referred to a leasehold without the right of purchase: is that a part of Knapdale—part of this estate you are interested in?—Yes.

112. Could you give us an idea how many of the settlers who took up this land on lease without the right of purchase are still on the land?—I should say approximately ten or twelve.

113. They have not got the right to purchase, and they are perfectly satisfied with their leases?—They want to be allowed to purchase. I had one of them down some time ago asking for the right to purchase. I may say that at the time the land was leased some of the young fellows approved of not giving the right to purchase. One of them has sold a good portion of his land, and he wants to sell the rest.

114. He has sold at a premium?—Of course, he did not buy it.

115. But he got so-much for the goodwill of his lease?—He had a freehold.

116. You said there were a number of leases that were given without the right to purchase: I want to ascertain whether that has been successful or not—whether the tenants are satisfied or dissatisfied?—The tenants want to be allowed to purchase.

117. How long is it since they took it up?—I should think about six or seven years.

118. They were satisfied at the time without the right of purchase?—Yes. One of them wanted to get the right to purchase put in, but the landlord made the conditions.

119. Roughly, what is the rental per acre?—It varies from 3s. 9d. up to 6s.

120. As to the deferred-payment tenant, does he treat his land as well as the leaseholder without the right of purchase?—Yes. But, of course, there may be conditions in a lease, and if the lessee is compelled to comply with those conditions—if the conditions are judiciously framed and he is compelled to comply with them—he will be forced to farm the land, but if there are no conditions he will very soon play ducks and drakes with the farm.

121. But are the conditions as readily complied with as in the case of a man who has a deferred-payment farm?—I look upon them as the same. In the case of a lease with the right to purchase the tenure is secure, and if the landlord does not treat him properly the lessee can get rid of the landlord by paying him off; but so long as the landlord treats him properly he is better to remain a tenant. Unless he has the capital lying idle it will not pay him to borrow the money to get rid of the landlord, because it would cost him more.

122. *Mr. Paul.*] I understand you said there was a universal desire for the freehold?—Yes.

123. And later on you said that if the option of the freehold were given to Crown tenants you expected that only about 10 per cent. of them would take advantage of it?—Yes. Many of them have not got the money lying idle.

124. Do you not think the tendency on the part of the tenants is to try and get money by hook or by crook?—No one would borrow at a high rate of interest for the sake of getting rid of the landlord. I understand the State will allow them the use of the land at a low rate of interest. You might get money at 5 per cent. and pay the landlord off, or even at less.

125. You do not think, if this option was given, there will be a rush for the freehold?—No; I do not think 10 per cent. of them would immediately ask for it.

126. I also understood you to say that, whilst the freehold was generally better made use of, you thought that the result of the instances which have come under your notice was that some freeholds had been overcropped?—At one time here we had a class of men called croppers; they were not farmers—in fact, the great number of the farmers were croppers to a great extent, but, fortunately for us, sorrel and weeds came and stopped them from that system of cropping. Some croppers would pay for the right of taking a crop off land, and some would buy land for the pur-

pose of taking crops off it. They would sometimes make arrangements to take a crop off any person's land if they could make money out of it. These men sometimes bought land themselves, and continued a system of cropping, and then tried to dispose of the land or sell it to the mortgagee. I may mention that, having some money to invest, I went to see the land, and saw even from the road what had been done in the way of cropping, and at once came away, and that man would not make a sale to me. The man had cropped the life out of the land.

127. The freeholds under those conditions would be very bad for the State?—Yes; but, fortunately, that system is as dead as Julius Cæsar.

128. You spoke of some estates sold by private landowners to tenants: in that case would it be in their interest that they should retain the freehold?—Some of them thought that at one time, but since the lands were leased they have allowed some of the lessees to buy the land.

129. *Mr. Anstey.*] You expressed an opinion just now that if the lease-in-perpetuity tenants were allowed the option of purchase not more than 10 per cent. would exercise that option immediately?—Yes.

130. Can you tell us whether that residue of 10 per cent. laboured under any disadvantage in not being allowed to acquire the freehold? They are now paying 5 per cent. on the capital value, less a 10 per cent. reduction, which brings the amount down to  $4\frac{1}{2}$  per cent.—that is, on improved estates—and in the case of Crown lands they are paying 4 per cent. on the capital value, which is also subject to 10 per cent., which brings it down to  $3\frac{1}{2}$  per cent. What advantage would it be to them to be allowed to pay off their money at that price? What advantage would it be to them to buy the freehold under those conditions?—If the farmer had the money to buy the land and get the fee-simple I would say he would buy the land.

131. Where he is getting money at  $3\frac{1}{2}$  per cent.?—I cannot tell what another man would do, but if I had a leasehold and had an opportunity of turning it into a freehold and had the money to do it with I certainly would do so.

132. At any price?—Yes; and I would tell the Ranger to go and attend to somebody else. I dare say it is sentimental to a large extent. I have known people borrow money and lend it to other people, and even borrow on mortgage and then lend it to other people, but I would not care about doing that.

133. There was a question as to compensation being paid to leaseholders, and you expressed the opinion that all Government leaseholders should have full compensation for improvements effected on their holdings. I understand that under most systems in connection with the Government they have already got that. Does your opinion extend to other leaseholds, such as education reserves or private leaseholds? If it is right that Government leaseholders should have that right, is it not right that it should be extended to other leaseholders?—I do not know that that follows exactly. The public estate belongs to the people, and if they decide to grant certain conditions to their tenants they have the right to do so, but that would not necessarily apply to private leaseholds. The public has not the right to dictate to the private landowner how he is to deal with his tenants. It is quite justifiable on the part of the Government or the people to give certain terms to their tenants. They pass a law that it can be done, and they have the right to do so, but it does not necessarily follow that they should have the right to say to a private landowner that he must give the same conditions to his tenants. There is one reason why Government tenants would naturally wish to have the right of purchase, and that is that we have a certain class of people who are trying to propagate their views, and who think that Parliament has the right to have a revaluation of even a 999-years lease. It is held by some persons that that long lease was wrong, and that there should be revaluation at stated periods. To find out what the rent would require to be for this new term it would be necessary to have a valuation of the property. The present tenant is therefore afraid that by-and-by there will be a revaluation for rent, and he is afraid his improvements will be assessed, and that his land will not be valued on the unimproved value. There are certain improvements he has made that will be lost sight of. I heard a man argue in Court—and it was admitted by the Court—that there was no evidence that bush had existed on the land. The man said there was bush, and that he had cleared it, but there was no evidence to prove it. Then, also, a man might have had toi-grass, flax, or scrub on his land, and he might point to a sample of land adjoining his; but it has been held that this could not be reckoned as improvements, because there was no appearance of it on the land. If revaluation takes place this man will have to pay rent on his improvements, and that is what they are frightened of, and the reason they want the right of purchase to a large extent.

134. I understand you to say that, while you think it is the duty of the State to grant their tenants full compensation for improvements, you think it also perfectly right that Education Boards and others who have large reserves vested in them should be empowered to withhold that right from their tenants?—I do not see why you should make any difference. I see no reason why you should make the tenure different in the case of educational reserves, harbour, municipal, or any other reserves. I think that any system that will enable the best use to be made of the land should be adopted.

135. You think that this right should be possessed in the case of public reserves, but not in the case of private tenants?—Yes.

136. You expressed some diffidence just now with regard to stating your opinion as to the constitution of Land Boards: do you think there would be any objection to allowing tenants themselves some representation on the Land Boards?—I do not think the tenants should have any right to put a man on the Board to represent them. I think the two questions are separate. The Land Board represents the landlord, and should represent the landlord and not the tenant. The tenants would have fine times if they had the appointment of their own factors or agents.

137. *Mr. Forbes.*] Does your experience of the lease in perpetuity in Southland lead you to believe that it is not so well suited as the freehold in this district?—I could not answer that question. My experience of that is very limited.

138. What was the length of the leases you have been administering?—Twenty-one years.

139. With the option of renewal?—No, although some have been allowed to purchase, and I believe all will eventually be allowed to purchase.

140. Will they get compensation for improvements?—Yes.

141. Have you restricted the cropping?—Yes.

142. Are the restrictions the same as the Government restrictions?—I could not say.

143. The Government restriction is not more than one green crop and two white crops?—The conditions specified the amount of manure, and that is not in the Government conditions. I do not approve of cast-iron rules like that, because if you give the right of purchase you do not require the same terms so long as you have the general conditions that the land is to be farmed on the most approved system adopted in the neighbourhood. You cannot make any general conditions that are suitable everywhere.

144. It is one of the matters we have to report on—viz., as to cropping regulations, and whether they can be varied in any way?—I should say that as long as a man farms properly—so long as he feeds the land, and he must feed the land—he may take from it as long as he likes.

145. You believe, then, in discretionary power given to Land Boards to vary the conditions?—Yes; if the persons administering the Act have sufficient knowledge, the larger the discretionary power given to them the better.

146. Do you believe in practical farmers composing the Land Boards?—If they have to administer and decide what the tenant has to do, if they are not practical farmers they are not fit to decide.

147. *Mr. Johnston.*] You are practically putting the administration of the land into the hands of the very men who might want to be tenants also?—No. A banker, for instance, might have a knowledge of farming as well as of banking.

148. *Mr. Forbes.*] You stated also that, with the various regulations in connection with Crown leaseholds, of course a man has to farm in a decent way, and you said that the regulations kept a man up to the scratch. Are the local bodies attempting to deal with noxious weeds in this district? The regulations in connection with Crown land compel the lessee to clear his land of noxious weeds?—They cannot compel him, because it is impossible. You cannot compel a man to do an impossibility.

149. But he is supposed to keep his land clear—that is, of course, in reason; he cannot be expected to do an impossibility. Do not you think under a leasehold with these conditions in his lease he is more likely to keep his land clear than a freeholder? The previous witness mentioned the case of a freeholder whose land was infested with weeds, whereas under his lease he had to clear his land of weeds?—We have Inspectors here for nearly everything, and amongst them we have a noxious-weeds Inspector, and he has to worry the freeholders to try and keep them up to the mark. He worries the people just as your agent would do a leaseholder. We have about eight hundred thousand people in this colony, and if you want to enforce the Noxious Weeds Act here you will require to have a few million people in the colony.

150. You said the leaseholders were afraid of a change in the legislation providing for revaluation: are they not subject to the land laws of the country the same as freeholders, and is there not the same chance of heavy taxation being imposed on freeholders as on leaseholders, and do they not feel some amount of apprehension in that respect?—I suppose some of them do.

151. The law would be just as likely to deal with a freeholder as a leaseholder?—It has dealt with the freeholder already, for his Crown grant has in some cases been taken from him. Seeing that they have broken faith with the freeholder, the holder of even a 999-years lease will know perfectly well that he is in danger of having his lease varied during even his own lifetime. But the difficulty is this: that in varying the rent he will have to pay rent on his own improvements.

152. That is, if the valuation is not taken properly?—If you have attended Assessment Courts I would simply ask, Are the valuations equitable, as far as your experience goes?

153. I must say that there has been very little objection to the valuations in the Assessment Court in my district. The freeholders would be subject to the same changes as leaseholders?—Not in some respects: they might increase his taxes.

154. Would not that be a greater breach of faith—to break the lease in perpetuity—than to increase the land-tax?—It would not be a greater fault than breaking the freeholders' Crown grant.

155. You mean, in the case of the resumption of land for settlement purposes?—Yes.

156. If that result is required the leaseholder would have to give way, as in the case of the freeholder?—No doubt; and that is a reason the single-taxers will have. They will say it is in the interests of the general public that the 999-years lease should be broken.

157. That supposes a very large change in public opinion?—As to the reaggregation of estates, some people hold that there is a danger, if the right to acquire the freehold is given, that there will be a reaggregation of large estates. As far as Otago and Southland go, there is no danger of that, because the fact is this: that the cutting of estates is at present going on in these districts, and will continue to do so. Estates here are being voluntarily broken up by the owners. There are various reasons that have led to this. For instance, rabbits came, and it has been found necessary to have more people on the land; and then the rates and taxes have increased to such an extent, and the price of labour has increased. These things have all tended to this result. It is almost impossible to get labour in some districts. The worry and annoyance to landowners in carrying on these large estates has so disgusted them that they have in many cases cut up their land for sale. These conditions will remain here, and therefore there is no fear of any reaggregation of estates in Otago and Southland.

158. I suppose the spread of noxious weeds will also tend in that direction?—Yes.

159. *McCardle.*] You have already expressed the opinion that the Education Board and Harbour Board endowments are a drawback to the settlement of the country: do you not think it would be an advantage to the State to take over the management of these reserves, giving the

trustees colonial debentures at a certain rate of interest on the present value?—I think that would be right enough once we see they are administering their own estates properly.

160. Do you think these reserves have been badly administered?—I believe so.

161. Of course, the people have a right to say how the land is to be administered?—I do not see any reason why one Department should not manage all these endowments. These bodies will no doubt invest the money, and thus obtain revenue to assist them in carrying out the objects for which they were created. In the meantime I think they are simply keeping the country back.

162. *Mr. Hall.*] Invercargill possesses considerable endowments, I understand?—Yes, I understand so.

163. In granting leases of these endowments, is it a condition that compensation shall be given for improvements at the end of the lease?—Yes.

PATRICK McINERNEY examined.

164. *The Chairman.*] What are you, Mr. McInerney?—I am a farmer, and am farming 250 acres of freehold.

165. Have you been long in the colony?—Thirty-nine years.

166. What particular question do you wish to speak on?—I am satisfied that the farming community do not really understand the question. Many of us have come from lands of persecution, and we are land-hungry. The word "freehold" rings in our ears, and we like it. Well, it is not a freehold at all when a man has not his deeds. Giving you individually my own opinion, I would like to see all the land held on lease in perpetuity, for this reason: that any little money a man had on going on the land would enable him to devote his hard earnings to provide for the necessities of life, and provide also for draining the land, keeping stock, &c. If he entered into the purchase of the land he would have to find the money from somebody else, and there is no one who will give him that money under such reasonable conditions as the State. If this course were adopted the colony would become a great producer, and, as far as my knowledge of land goes, the production would be doubled. I may also point out that the less we produce the more difficult to get the stuff away. As Mr. McQueen has mentioned, there is great trouble at present in obtaining labour.

167. I understand that you are in favour of the lease in perpetuity, as against the freehold?—Yes, under the circumstances.

168. You are a freeholder now, and you still hold that opinion?—Yes.

169. *Mr. Johnston.*] You have got a freehold now?—Yes.

170. What did you pay for it?—It cost me £5 per acre.

171. What could you get for it now?—That is a question I can hardly answer, because the land is subject to floods.

172. Could you get £10 an acre for it?—I doubt it.

173. Would you take £10 an acre?—I have sunk my labour in it for fourteen years, but the floods have beaten me so far. However, I still hope to stop the floods.

174. Could you get more off the land than you put into it?—I could not answer that question.

175. It would be an easy thing to sell out and get a lease in perpetuity?—I am not that keen on the lease in perpetuity, but if I were putting my sons on farms I would select the lease in perpetuity.

176. *Mr. Anstey.*] Although you are a freeholder, you would rather select the lease in perpetuity in putting your sons on the land?—Yes.

177. That system is more suitable for your sons' means?—Yes; if I could get suitable land I would prefer to put them on the land under the lease-in-perpetuity system.

178. You think the lease in perpetuity is suitable for the land about Invercargill?—I think so. We are frightened with the agitation for revaluation; but I understand this: that if the country goes back and it is necessary there will have to be revaluation to raise the money to send Home, and why should the lease-in-perpetuity holders be allowed to go scot-free whilst the freeholder has to bear the burden? I think there should be something that would be fair and equal.

179. *Mr. McCardle.*] Suppose your sons are to have a lease in perpetuity, and suppose they had the right to purchase the land, would you object to it?—If they made the necessary money out of the land there is another way in which they could attain their object. Rather than they should resort to certain methods of trying to acquire the freehold I would sooner see them bound to the land. Speaking of my own sons, I would be just as pleased if they had not the right of purchase.

180. Would it not be better for you to sell your land and take up lease-in-perpetuity land for yourself and your sons?—I could not get any one at present to give me the money representing the labour I have put into the land for a number of years. It is a pity the farmers do not understand the lease-in-perpetuity system. If this system were adopted it would make things easier for the farmers, and make it easier for them in bringing up their families.

181. *Mr. Hall.*] In the event of bad times and the colony going back, you think that the burden would have to be borne by the freeholder and the Crown tenants alike?—Yes. The taxes will have to come on the land, and I maintain that the burden should be borne equally by all. Why should the freeholder have to pay and the other person not pay?

THOMAS GIBSON examined.

182. *The Chairman.*] What are you, Mr. Gibson?—I have a perpetual lease, a village homestead at Seaward Bush.

183. What area?—Nearly 3 acres. It was all bush when I took it up. I have been there seventeen years.

184. How far is it out of town?—About three or four miles. As far as my observation goes, these leasehold people have a very poor opinion about the system, and those who have settled in



that district think it is a great drawback to the place, being leasehold. I know one family near me where the husband died, and the widow was left with the leasehold. I do not think £200 would pay for the improvements put on the place, yet if she were to leave it she would get little or nothing for the improvements. If the land had been freehold she could certainly have sold it to advantage.

185. What area had she?—Five acres, and there was a house on it.

186. Could not she get any one to take up the lease?—Yes; but very little would be given for improvements.

187. What are the terms of your lease?—Perpetual; it is for thirty years, and at the end of that time revaluation for the next twenty-one years, and so on. I may refer to the rough state of our property when we took it up. We had to carry our timber for building over stumps and logs, and we laboured under a great disadvantage in many ways.

188. Your wish, and the wish of those you probably represent, is that you should have the right to make your land freehold?—Yes.

189. You want to have the option of making it freehold when it suits you?—Yes.

190. *Mr. Paul.*] Is it the leasehold or the cumbrous conditions that you object to?—The leasehold system.

191. *The Chairman.*] You have cleared the land?—Yes.

192. And you have long ago completed all that is required?—Yes.

193. The only condition now is that you should pay the rent?—Yes, and live on it.

194. *Mr. Paul.*] How long have you been a leaseholder?—About seventeen years.

195. You want the option of the freehold at the present valuation, or do you want it at the valuation seventeen years ago?—I think it would be unfair at the present valuation, because in the case of others who took up a freehold you might just as well say that their property should be revalued and charged a higher price in some way or another. We have had all the disadvantages of roughing it, and I think that in all fairness the valuation should not be raised.

196. Could you suggest any compromise?—I would suggest that when all the land is cleared and stumped we should have the right to purchase at the former valuation. Of course, I understand that the reason we are bound to live on the property is that we do not take it up for any one else, and that we mean to settle on it. Now that we have houses built and the land cleared I think that should be enough. It is a sufficient guarantee that we have not taken up the land for any other purpose than settling on it.

197. *Mr. Forbes.*] Is there not a great difference in the value of the land now and its value seventeen years ago?—There would be if it were freehold, but I know of some settlers near us who have taken up land recently, and there is no difference I know of in the value. It is difficult to get land sold under the leasehold conditions.

198. There is no difference in the value during the last seventeen years?—I might give you one instance in point: There is a party beside me; he has taken up his selection and gave it up; the next party practically took it up from the Government again, because the former tenant could not get any one to buy it.

199. That is similar land to yours, and adjoins yours?—Yes.

200. The same tenure and conditions?—No. It was the same tenure when it was first taken up.

201. *Mr. McCardle.*] Would you object to paying the increased value on the land above what you purchased it at if you had the right of purchase now or at a future date?—I do not say I would object, but I think in all fairness it would be hardly just.

202. Did persons taking up freehold land at that time get it at the same value as you did?—Yes, at £5 per acre.

203. If you wanted to sell, what could you get on the property over and above the improvements you have made on the land?—Nothing. I have put up a building on it, and I paid 6s. an hour for a traction-engine to pull stumps out, and I do not think I could get more than £100 for all improvements.

204. Would the improvements amount to more than £200?—Yes.

205. *Mr. Hall.*] What was the original value put on the land?—£5.

206. Was that its full market value, or if it had been put on the market would it have fetched more or less?—I think less. It was revalued after I took it up, and it was changed to £4 an acre. The Government valuer came round and valued some adjoining land, and he said he thought the value of my land was too high, and he reduced it.

207. Did he value it as a freehold, or subject to the lease?—The actual value of the land.

208. Assuming it to be a freehold?—Yes.

INVERCARGILL, WEDNESDAY, 22ND FEBRUARY, 1905.

JOHN HAY examined.

1. *The Chairman.*] What is your official position?—Chief Surveyor and Commissioner of Crown Lands for the District of Southland.

2. How long have you been in office?—I have been Commissioner here for four years.

3. You were at the Conference held at Wellington?—Yes.

4. I notice from the report that you have taken part in nearly all the questions submitted to the Conference, and, in giving your evidence here, I would suggest that there is no necessity for you to go over the ground you covered at the Conference, unless you wish in some way to supplement or correct your remarks. Now, I would first ask your view in regard to the constitution of Land Boards?—My opinion is that the Boards as at present constituted are the best—viz., the nomi-



nated Boards; but if any alteration is to take place, and if the Boards are to be elected, I would suggest that half the Board be elected by the Crown tenants as voters, and the other half be nominated as at present.

5. But you prefer the present system?—Yes.

6. The next point is in regard to tenures upon which lands may be obtained and occupied: will you please inform the Commission the tenures that are in vogue in your district?—There are a great number of tenures in force at the present time in this district, numbering altogether sixteen. There is the deferred-payment system, in regard to which, of course, the licenses have not yet run out; there are village settlements under the deferred payment; there are perpetual leases; there are village settlements also under perpetual leases; and village-homestead special settlements. These are all under the Land Act of 1885. Of course, leases under that Act are no longer being issued. Then I come to the Land Act of 1892. We have occupation with right of purchase; we have village settlements of small areas of 1 acre each, with the right of purchase; there is lease in perpetuity, and lease-in-perpetuity village homesteads. These are small holdings. Of course, there is the freehold tenure. Then, we have leases under the Mining Districts Land Occupation Act of 1894, we have improved-farm special settlements, pastoral runs and small grazing-runs, and miscellaneous licenses. The latter are for small areas of land which we let from year to year at a nominal rental. These lands when required can be resumed at a month's or other reasonable notice. Then we come to the Land for Settlements Act, the sections under which are all held under lease in perpetuity. Those are the sixteen tenures obtaining in this district.

7. Of course, you have licenses for cutting flax?—Yes; they are included under the head of "Miscellaneous." We have also timber licenses issued under the State Forests Regulation of 1885, and also licenses issued under the present Land Act for cutting timber.

8. Do you think these various tenures work smoothly and nicely for the settlers, or is there any friction and desire for a change?—I think we have rather too many tenures.

9. How would you simplify them?—I would suggest that the village-homestead system be abolished. The areas are too small. They are all under lease in perpetuity, and the maximum area is only 100 acres. A man can only acquire one section, and as his family grows up he finds that it is too small. As a rule, the tenants wish to convert these leases into occupation with right of purchase, and at present the law does not allow that. I think the small tenures that obtain now might be converted into occupation with right of purchase, and the size of the holdings increased up to 150 or 200 acres. I think that would be an improvement.

10. Have you much land available for that system of settlement, supposing it were brought into force?—Yes, we will have a good area open that will be available, consisting of worked-out sawmill-areas and other land scattered through the district. Coming to the Mining Districts Land Occupation Act, I would say that, so far as this district is concerned, it is not very workable; in fact, it has been a failure. The maximum area allowed to be taken up under this Act is 100 acres, and the lease is for twenty-one years, and is issued subject to mining rights. A miner may go in and mark off an ordinary claim, water-races, dams, and other mining privileges. It is always a difficult thing to arrange compensation, and the holders of these leases would prefer to have them converted into lease in perpetuity. They would still be subject to mining rights.

11. *Mr. Johnston.*] You are referring to lease in perpetuity with mining conditions, are you not?—Yes; sections 119 and 121 of "The Land Act, 1892," should give the miner every privilege that he desires. Therefore the miner is safeguarded, while the applicant would have a much better tenure—viz., 999 years instead of only twenty-one years.

12. *The Chairman.*] Of course, the idea at the initiation of leases on the goldfields was that the land would not be vacant, but would be occupied for grazing and for a little cultivation, and the very fact of the leases being for only twenty-one years gives the Government power to resume without compensation. Of course, one never knows what development might take place in mining and what land may be required, and the twenty-one-years lease is really a temporary arrangement, whereas if you grant a 999-years lease you fix the tenant and his successors on the ground, and it might clash with the mining interests, do you not think?—I do not think it would, because the lease is subject to mining, while the tenant would have a better tenure. I might point out that in our district most of these leases under the Mining Districts Land Occupation Act are held in bush country, and the lessees have had to expend a very large sum of money in felling, burning, and cultivating.

13. Are they entitled to compensation at the end of twenty-one years?—At the end of twenty-one years they are entitled to renewal if they desire it.

14. *Mr. Johnston.*] At the same rental or at a revaluation?—It would be subject to revaluation, and valuation for improvements if he lost it.

15. *The Chairman.*] It is very similar to the lease in perpetuity except that the time is a little shorter?—Yes; and you can only get an area of 100 acres, whereas under the lease in perpetuity you can get a larger area.

16. *Mr. Anstey.*] Are 100 acres enough under that tenancy, because it strikes me if they are simply grazing-areas the size is too small?—They are not grazing-areas; they have the right of cultivation.

17. Even so, 100 acres must be altogether too small?—That is what I am saying. It has been found to be so.

18. *Mr. McCardle.*] You have said it is mostly bush country: can there be much cultivation in that case?—A very large amount of capital has been spent in cutting down the bush and in fencing and grassing, and in some places they have commenced to stump and cultivate the land. You see, our bush land is not of such good quality as the North Island bush land, and 100 acres here will not keep a family.

19. Your evidence shortly put is this: You think this system should be abolished, and that the lease-in-perpetuity system should be introduced in its place with an increase in the area of the

holdings?—Yes. I would simply bring the system under the lease in perpetuity. Then, we have the improved-farm settlements, which are under "The Lands Improvement and Native Lands Acquisition Act, 1894." These settlements here have also been a failure. In respect to this system, the Government first paid the occupiers of each allotment for felling the timber on the land from £1 5s. up to, perhaps, £1 10s. per acre. The Government also paid for grass-seeding, and there was also an allowance made for building houses to the extent of £10 to a single man and £30 to a married man. In some cases fencing material was also found. Well, this all ran into money, and when the Government ceased making these advances all the expenditure incurred was supposed to be added to the prairie or unimproved value of the land, with a proportion of the cost of roading. I am not exactly sure of the exact figures, but in some instances this brought the price of the land up to probably £3 to £4 per acre, and the tenant or occupier was supposed to pay either 4 or 5 per cent. on that value. Of course, when the leases were about to be issued and the rentals were demanded the rentals were not forthcoming, because the tenants could not pay.

20. Did they leave the land?—Some abandoned it, and as we found a majority would abandon it the Government wrote off so-much of this expenditure and revalued the land and brought it down to what you might call a "living rent." These settlers still remain on that land. One of the reasons for the failure in our district is that many of these improved-farm settlements were in inaccessible places, and our bush land is of an inferior nature and the climate wet.

21. I presume that the greater part of this improved-farm settlement was done about Wai-kawa?—Yes, and it is a notoriously wet district. There is one in the Alton district about fourteen miles from Orepuki. That settlement has not been a failure; but that is principally owing to the fact that very good timber was growing on it, and a man could make a good living by squaring sleepers and supplying telegraph-poles.

22. How much did the Government write off?—About £7,000 or £8,000. I find there is another settlement on the Bluff Road—viz., Moturimu Settlement, which is about eight miles from Invercargill. It is convenient to the town, and the tenants sell firewood and are making a fair living.

23. Have you any remarks to make in regard to the point as to whether Crown tenants labour under restrictions inimical to their well-being and unnecessary in the interests of the State?—I think the residential conditions are very liberal as administered by this Board, but I think that the Land Boards should have a little more discretionary power in the way of not enforcing the law strictly as they may have to at present. For instance, when a man has no roads or access to his section he has great difficulty in getting his building material and fencing on to it, and I do not think a tenant should be forced to carry out all his improvements in the time stated in the Act. I also think that residence should not be enforced until reasonable access is given to his section. At present there is a four-years exemption in regard to bush lands, but that land may be occupied for over four years and still there may be no road to it. I think a little more discretionary power should be given to the Boards so that a section should not be forfeited for non-compliance with all these conditions.

24. Then, I understand you are quite satisfied with the law as it is now if the Land Boards could exercise what you call a reasonable discretionary power?—Exactly.

25. What have you to say in regard to the clause as to whether alteration and variations are necessary in the law regarding tenure and occupation owing to the varying conditions existing in respect to the climate and land-configuration in the several parts of the colony: do you think special exemptions are required in your district other than are provided in the Land Act?—I do not think so.

26. Of course, the discretion you have asked for in regard to residence would apply to this also?—Yes.

27. The next clause asks whether it is expedient that the homestead privileges as indicated in the appendix to "The Land Act, 1885," should be reintroduced. Shortly stated, the system is this: Persons taking up land under the homestead-settlement system take up 200 acres under certain conditions of residence and occupation, and after fulfilling these conditions they get a Crown grant to the land and it is made a freehold. This system was applicable to districts in Auckland particularly, which were very remote, and had no roads, and where the conditions were not at all encouraging for settlement, and it was thought well worth while to induce enterprising young men to go out to these back blocks and make the wilderness blossom: is there any part of your district where the homestead system might be applied?—I think the homestead system might be applied to some parts of Stewart Island with advantage. Of course, it is difficult to make roads in Stewart Island. The access to most of the holdings at the present time is by boat; but, of course, you cannot always get to them by this means, because the weather is not always favourable. In regard to this homestead system, the section of the Act states that if an occupier for non-compliance with the conditions should have his land forfeited, his improvements shall be forfeited also. I think that is too severe. I think that provision might apply in exceptional cases, but not in all cases.

28. You think the discretionary power of the Boards should apply here?—Yes. At present the law is absolute on the point, and I think that provision is too sweeping.

29. *Mr. McCardle.*] I do not think that power has ever been exercised by the Government?—Perhaps not.

30. *The Chairman.*] You think the system could be well applied in portions of Stewart Island, but you think the forfeiture clause is too arbitrary?—Yes.

31. In other words, it should be tempered with that discretionary power which you think it is very proper the Board should have?—Yes.

32. Now, as to the working of the present ballot system and the dealing with applications for land, do you think the present ballot system is good, or do you think some amendments are required?—The ballot system under the Land Act of 1892 appears to work well in this district,

and appears to be very fair. I have heard unsuccessful applicants expressing their opinion that it is a fair way of dealing with Crown lands.

33. Then, have you any remarks to make with regard to land-for-settlements lands? Please inform the Commission shortly what you know of the double system under the Land for Settlements Act?—Under that Act there are two ballots. For example, we will say there are four sections in a subdivision to be balloted for, and that there are ten applicants. Six of these applicants are balloted out, and the four left are eligible for what is called the second ballot. In the second ballot the name of each applicant is put down on a separate paper and placed in a ballot-box, and the same number of balls are put in another box and drawn simultaneously, and whatever name is drawn with the section-number on the ball the applicant has to take that section whether he likes it or not. He very often gets a section that he does not want, and the six applicants who have been balloted out in the first ballot have no chance of getting a section that day; they are completely out of the ballot for that day, and have to reapply. Therefore I would abolish the second ballot under the Land for Settlements Act.

34. Under the second ballot in this example it means that there are four sections for four men, but these four men have no choice of the four sections?—None.

35. Would it be an improvement if the second ballot was in this wise: The applicant whose name is first drawn could make a selection, and he would then be able to get the section that he wants; No. 2 when his name is drawn would be able to get the next best, and Nos. 3 and 4 would draw and select in the same order?—Yes. The ballot does not work well for a lady who applies for a section. Under the Land for Settlements Act the land is put into groups and subdivisions, and according to the Act you can only apply for a section in one subdivision, and you have to apply for all sections in the subdivision. Now, there may be many sections in the subdivision that you would not have at any price. Perhaps you would prefer Section 2, and the ballot "lands" you probably with Section 10. We will say a lady applies, and she is successful at the first ballot, and is eligible for the second ballot. When the second ballot takes place she is allotted a section, say, of 350 acres, and by the Act a female is not allowed to have a section of more than 320 acres. There is the injustice in the ballot which forces a person to apply for every section in the group, and says they have to take whatever the ballot may allot them or forfeit deposit. A second ballot might allot a woman a section she could not hold, as it might exceed the area allowed—viz., 320 acres first-class or 1,000 second-class.

36. Is there any restriction upon the male?—The maximum area that can be held is 1,000 acres.

37. The lady's difficulties would be got over by giving her an equal privilege with the gentleman?—Yes.

38. Have you any objection to that?—I do not think so. But altogether I think the second ballot works very unsatisfactorily. The public do not understand it, and the people go away disappointed with the working of it. I see no object in having the second ballot. A straight-out ballot would give greater satisfaction.

39. You would give the choice of selection, of course, in a straight-out ballot?—Yes. In place of making the applicant apply for all the sections in a group I would give him his choice, say, to three or four allotments in the settlement.

40. If a man is prudent he will get a map of an estate and go over the ground before he puts in his application, and in his mind he will say, "I will go in for this section in this group." Well, when the ballot takes place, if his name is drawn first, he will say at once, "I will take Section So-and-So": would that not be simpler?—But there may be others requiring that section.

41. But this man has the good fortune to get the first choice, and although there may be others who would take the same section if they had the chance, because it is the best one, they would have to take the next best, and so on, according to the order in which they drew?—Yes. I would allow an applicant to apply for a section in any group. In fact, I would allow him to name four sections on the estate. I would do away with grouping.

42. In other words, the whole block would be open to every one?—Yes; and let the applicant make his choice of three or four sections.

43. I have had experience in these matters, and, as a rule, some sections are the pets of every applicant. Well, as a rule, the four sections will be named by a great number of applicants, and will be taken up at once, and the people going in for them would have no right to ballot for any of the others?—I do not say that. For instance, Section 1 would only be allotted to one man. If an applicant is disappointed in regard to No. 1 he will still be able to ballot for the other three sections when they come on.

44. But, supposing all the four sections are taken up before the applicant gets a chance at all, am I right in supposing that he will be allowed to go over the block and say, "I will take this one here"?—Yes, after all the successful applicants have been satisfied. A great many sections on our estates are not applied for at all, and I would allow unsuccessful applicants to take a section anywhere on the estate. If an applicant said, "I wish to take such-and-such a section," and if one or more of the unsuccessful applicants who had applied wished to take the same section up, I would ballot for it. By doing this you would place every applicant who had applied at the first ballot on a section.

45. I do not see the need under your proposal for an applicant to name any section at all?—Well, I see no need for it, but I think any applicant would be quite satisfied if he had the choice of four sections.

46. But what is the use of having the privilege of naming four sections when they are all allotted before you can have any choice of selection at all?—It just means I would do away with the second ballot as unworkable, and also the subdivisions, as it limits the chances of the applicant too much.

47. You would apply the ballot worked under the Land Act of 1892 to the Land for Settlements Act?—Yes.

48. In regard to the clause dealing with the area of lands loaded for roads, the amount of such loading, the amount expended on roads in or giving access to the lands loaded, and as to whether good faith has been kept in regard to them, and as to the amount borrowed, spent, and available, you might give us your opinions on these points?—The area of land is 102,127 acres. The Government have kept good faith in regard to the expenditure of money for roading the various blocks in this land district. The amount expended has been £18,192.

49. Who expended this money?—It has been generally spent by Chief Surveyors here. It was mostly all spent before I came.

50. It is not proceeding so actively now as in previous years?—No; and it is spent now under the Roads Department by the District Road Engineer. With the exception of a small sum the loading-money is nearly all spent in this district. But, as a rule, the loading you can place on a block here is not sufficient to make roads to give access to the settlers. The land is generally bush-clad, and being of an inferior nature you cannot load the blocks sufficiently heavy to give access, otherwise they would not be selected, and therefore it is necessary afterwards to apply to the Government for ordinary votes to complete the roads.

51. And even then, I presume, they are not metalled?—Oh, no; I am referring only to bush-felling, formation, and culverting. The metalling is generally left to the local bodies, and, as a rule, they do not put much on. The following is the other statistical information asked for:—

*Schedule.—Loan Blocks.*

Loan Block.	Amount borrowed.	Amount expended.	Balance available.	Area.
	£	£	£	Acres.
Blocks XVI. and I., Longwood ...	1,400	1,400	...	5,659
Alton, Lillburn, and Monowai ...	8,000	8,000	...	30,070
Ackers Village Block ...	220	217	...	351
Oteramika Hundred (Blocks IX. and XIV.)*	625	120	400	6,253
Waikawa (Block II.) ...	191	5	186	312
Paterson (Block I.)† ...	158	...	...	633
Waikawa (Block I.)‡ ...	419	...	...	1,194
Invercargill Hundred (Blocks XXIII. and XXIV.)	400	321	79	1,403
Hokonui and Forest Hill*	603	85	415	3,223
Waikawa, Otara ...	7,750	7,750	...	31,000
Waikawa (Blocks XV. and XVII.)§	1,500	...	...	6,000
Mokoreta Block   ...	1,850	294	500	7,400
Longwood (Block XIX.)‡ ...	330	...	...	2,830
Waiau (Blocks XIII. and XIV.)‡ ...	733	...	...	5,799
	24,179	18,192	1,580	102,127

52. Can you give us any information as to the value of the land leased from the Crown, and whether the lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office?—That is information you must get from the Valuation Department.

53. Then, we are asked to ascertain the condition and position of those of our colonists holding and occupying lands of the State under the several tenures now obtaining: what is your evidence in regard to that?—Generally speaking, I think that our settlers are fairly prosperous with the exception of those on the improved-farm settlements. Perhaps in two cases our settlements are not satisfactory under the Land for Settlements Act, but with these exceptions I think our settlers are all fairly successful.

54. Then, we are asked to investigate and report as to the aggregation of estates: you have a large knowledge of this district and can tell us whether the aggregation of estates is going on?—No; the tendency is the other way. The large estates are being gradually broken down, and the holders themselves are subdividing and putting them on the market.

55. So that instead of aggregation you find subdivision in this land district?—Yes.

56. Then, we are asked to inquire and report whether each area of land leased under the Land for Settlements Act shall have a separate occupier, and whether the area ought to be increased or the boundaries altered without the direct sanction of Parliament: in other words, should this be a matter for the discretion of the Board?—I think it is not altogether desirable that each allotment should be resided on. A good number of our estates have been cut up, and it appears that the areas have been made rather small—some of them as small as 150, 160, and 180 acres. A man when his family grows up finds this area too small to make a living on, and I think that the holder of such a section should have an opportunity of taking up an adjoining section if there is one available or one elsewhere on the estate—I mean, by one of the members of the family—without enforcing the residential condition.

57. Do you think that should be in the discretion of the Land Board or of the Minister?—I think, in the discretion of the Land Board. I think that the Land Board should have power to

\* Only £500 authorised. † Over £400 was spent on Stewart Island, but there is nothing to show here whether the amount was part of the money expended. ‡ Not yet authorised. § Not yet authorised. Block XVII. has been opened, but none of it taken up. Block XIV. not yet opened. || Only £794 authorised.

subdivide a section. If the Board found that a section is too small to provide a man with a living and an adjoining section is unoccupied, I think the Board should have power to subdivide that section without having to issue a new sale-plan and open it in the ordinary way.

58. You mean to take a piece off an adjacent vacant section and add it to the man's holding?—Yes.

59. Might you not spoil the adjacent section?—Well, the Board would exercise its judgment in the right direction. I think that is a very desirable power to give the Board without making it necessary to refer to the Head Office. It would facilitate settlement, because sometimes there is considerable delay when you have to get new sale-plans from Wellington. I think that is unnecessary when the local office can get out such a plan by amending the original.

60. But if the Board in its discretion subdivided a section for the purpose of adding to a man's farm there would be no need to issue these plans, because if you advertise them the land would be open to anybody?—I was referring more particularly to a section that has been forfeited. We could advertise for thirty days, and alter the original sale-plans to suit requirements. I do not think there would be the usual delays in dealing with these matters. I think that is a necessary discretionary power to give Land Boards.

61. Would you allow a man who has improved his section very much, and who is gradually becoming old, and wishing to cut off a bit to place his son on, to do so?—I think that might be allowed.

62. I presume you would not allow a man to subdivide and become a sort of middleman between the Crown and the tenants?—Oh, no.

63. Supposing a man finds he has more land than he can profitably work, and he wishes to cut off 100 acres, and he says, "I know a man who will take these 100 acres up": would you allow that?—Yes.

64. But in respect to the piece that is cut off, you would give a special lease direct from the Crown?—Yes; I think they should be all Crown tenants. There should be no subtenants.

65. Can you tell us how much land in this district is under pastoral tenure?—We have ninety-six tenants, embracing an area of 1,473,567 acres. The total annual rent is £3,714 19s.

66. What is about the average duration of these leases?—Fourteen years is the usual term, but in the higher and rougher country we are now giving twenty-one-years leases.

67. Is the holder entitled to certain improvements at the end of the lease?—Yes. If the rent is £50 or over, he is only entitled by law to three times the rent for improvements. If it is under £50, he is entitled to only five times the rent for improvements. That is all the law allows, no matter what improvements may have been effected; there is no buying of land now allowed. There is the homestead-site that cannot be resumed during the currency of the lease, but the holders are not allowed to make it private property. I would now like to lay before the Commission the various suggestions that this Land Board has made from time to time. The first is in regard to pastoral licenses under the Land Acts of 1885 and 1892—that provision be made giving Land Boards discretionary power to allow licensees to cultivate for the purpose of growing winter feed for stock. Our reason for suggesting this is that a licensee having no other land, unless he has this right he is unable to make full use of his run to its greatest advantage all the year round. Then, in regard to valuation for improvements—that provision be made allowing licensees fair valuation for all improvements on any pastoral run necessary for the working thereof. Our reason is that the valuations being based on rental as at present do not, as a rule, cover the value of fencing alone in many cases, much less the buildings such as dwellings, wool-shed, &c. Then, in regard to homestead-areas on pastoral runs under 5,000 acres—that section 211 of "The Land Act, 1892," be amended so that a homestead-area not exceeding 100 acres be allowed on runs under 5,000 acres in extent. Our reason is that, as there is no provision for any homestead-area on runs under 5,000 acres, it seems desirable and reasonable that such protection should be given when required. We think the same provision should be made in connection with a run of under 5,000 acres as for a run of over 5,000 acres. Then, as to the payment of arrears of rates on forfeited holdings—that section 124 of "The Land Act, 1892," be amended so that Land Boards shall be liable to pay rates to local bodies only when the amount received for improvements on a forfeited holding is in excess of arrears of rent and other charges due to the Crown, and that the Land Boards be not held liable during the currency of any lease or license. Our reason is that section 124 does not work well, and is practically inoperative except when there are improvements upon the forfeited section. You see, at present we are forced to forfeit a section if the county rates are not paid. Then, as to titles for cash lands under Part III. of "The Land Act, 1892," when the improvement conditions are not complied with—that section 148 does not define what action shall be taken or how the title shall be dealt with when a purchaser fails to make the required improvements within the seven years mentioned in the section. Our reason is that, on account of difficulty of access and other causes, some purchasers were unable to make the required improvements, and others were not aware of the time-limit, as it is not mentioned in the certificate of occupation issued under the Act. If the improvements are not effected within seven years on cash lands there is no provision made for issuing a title at all. We have a number in this district in that condition. We suggest that in the case of defaulters up to the present time the period within which improvements may be made should be extended. Then, as to grazing licenses under section 116 of "The Land Act, 1892"—that, as in many cases it is necessary and desirable that the land should be broken up and cultivated so as to eradicate weeds, &c., and obtain pasture, section 116 be amended, giving Land Boards a discretionary power to allow cultivation under temporary licenses granted under this section. I think that would be a good thing, because at the present time the adjoining owner to these little bits of land cannot eradicate these weeds unless he is allowed to cultivate and take more than two crops off. Then, in regard to section 114 of "The Land Act, 1892," it reads as follows:—

"Any selector of less than six hundred and forty acres of land under Part III. of this Act, or under the provisions of any former Act relating to occupation of land on similar tenure, may apply

to the Board for an additional area of surveyed or unsurveyed land contiguous to the land in his selection, and the Board, if they think fit, but subject to the limitations of this Act, may dispose of such land to the applicant without competition, at such price not being in any case less than twenty shillings per acre, to hold the same on the same tenure as that of his original selection.

“Lands which are separated only by a road or a stream shall be deemed to be contiguous for the purposes of this section.”

The following alteration was proposed: That in the first paragraph of section 114 all the words after “without competition” be deleted, and the following words be inserted in lieu thereof: “at a price to be fixed by the Board, to hold the same on any tenure.” I think that would be a useful amendment.

68. Do you not think there should be some limit about the cash: the section says not less than £1 per acre: do you not think that is giving the Board rather much responsibility?—The Land Board has the same power in the next section, which also provides for the approval of the Governor being obtained.

69. We know that there are over a million acres in Southland consisting of very high land: can anything be done in the way of improving these pastures? They are a great asset belonging to the colony, and within my knowledge and observation they have depreciated very much within the last forty years: can you suggest anything that would tend to restore them to their pristine fertility?—Well, there is surface-sowing.

70. Has that been tried much?—No. There is no encouragement to do so, because it would not be considered an improvement by the outgoing tenant, and would not be allowed for in valuing.

71. Do you know if surface-sowing has been tried on any of the large private estates in Southland?—Yes, in some places.

72. Do you know if it has been successful?—Yes, on the lower country I have mentioned—the Lillburn country. That is all fairly low country, and it was all surface-sown, and the grass took very well. But that is a different class of country to our pastoral runs. I do not know what grasses would take on these pastoral runs. Cocksfoot or Chewing’s fescue might take, but you will not get a tenant who will sow the grasses on his run if it is not to count in his valuation for improvements at the end of the term.

73. Of course, resting the land would be a good thing?—Yes, that is doing good. In fact, in a great many places the grass is coming back, even on the high land, except in places where the shingle is loose and is overspreading the lower country; the rabbits also are pretty well down. I consider indiscriminate firing has done more damage in the way of denuding the country of vegetation than the rabbits. There has been no great judgment used in firing. The musterers have fired in season and out of season, and that has been one of the main causes of the denudation of the country. Of course, the people are not doing that now.

74. *Mr. McCutchan.*] With reference to improved-farm settlements, I understood you to say that the upset price for felling bush, grassing, and grants for fencing and buildings amounted to £4 10s. per acre?—I am not positive. I said I believed that some of the land would amount to £3 to £4 an acre, but I am not positive.

75. It is an estimate?—Yes.

76. And the area of each holding is 100 acres?—Yes.

77. And you said that the Government made a reduction in the rental?—Yes, a treble reduction.

78. Of £7,000 to £8,000 in the aggregate?—Yes.

79. At 4 per cent. the rental would be about 3s. 7d.: what would the average rental be under the reduction?—I think, probably from 6d. to 1s. an acre.

80. Is it on a 4-per-cent. basis?—4 or 5 per cent., as the case may be.

81. Have you had any applications in respect to mortgages under improved-farm-settlement conditions?—Yes.

82. Have the settlers had much difficulty in getting money under that tenure?—I do not think there was any money advanced by the Advances to Settlers Office under that tenure.

83. Did they get the money from private money-lenders?—Yes, if they got the money at all. The Government have had no applications for loans ever since I have been here as Commissioner—namely, for four years. I know that they have applied to the Government Advances to Settlers Office for loans, but they had no security to offer, because all the improvements had been effected by Government money.

84. Has not that militated against the interests of the settlers borrowing money from private individuals?—I do not think private individuals assisted them very much, because they had no security to offer. I rather think that all the money they worked on was money which they got for bushfelling and employment on the roads. I do not think they got much assistance in the way of borrowed money from private companies.

85. The approval of the Land Board has to be obtained in the case of such transactions with private individuals?—I do not think the Government Advances to Settlers Office has advanced any money at all.

86. I do not mean from the Advances to Settlers Department; but the sanction of your Board would have to be obtained no matter where the money was got from?—Yes.

87. Therefore I am to understand that no improved-farm settler has mortgaged his holding in this provincial district?—I do not think any of them have mortgaged their farms in this land district.

88. I understood you to say that the ballot for Crown land in this land district was satisfactory, and that you have heard of no objections from the settlers?—Yes, in connection with the ballot under “The Land Act, 1892.”

89. Do you find that the settlers are satisfied when they are unsuccessful at the ballot?—They are satisfied that the working of the ballot has been perfectly fair and straightforward.

90. My experience is that some persons are very much dissatisfied when they go to a new district and are unsuccessful in getting land. Do you not think that the Act might be amended in a way that will give more satisfaction to disappointed persons—for instance, in respect to unsuccessful applicants on a number of occasions, and also in the case of married persons, should not they get some additional advantage?—Yes, I think the Act might be amended in that direction—that is, if you amend it in the direction of giving unsuccessful applicants who have been at several ballots a preference.

91. What proportion does the loading bear to the upset price of land in this district?—Generally, we put it at about 25 per cent. on the upset price, but, as I have said, that will not make the roads.

92. With reference to the recommendation that “ thirds ” and “ fourths ” should be capitalised, do you not think it would be a greater advantage to settlers if they were utilised in paying interest on loans, because in the one case it amounts to a very small sum, whereas in the other it would mean a very substantial sum to be expended in the making of roads? Do you not think that suggestion is worthy of consideration?—I have had little experience of that, and can hardly express an opinion upon it. I have not had any “ thirds ” put aside in this district for that purpose, but the idea appears sound.

93. *Mr. Johnston.*] You say that the improved-farm settlements have been a failure?—Yes.

94. Have they been a failure principally through the locality chosen for the settlement?—The localities have been badly chosen for one thing, and the class of settlers who happened to be put on the land were not altogether the most desirable men. They were often men of no experience who had come from the towns. That is one of the causes of the failure.

95. In your opinion, if the land had been properly selected and suitable men had been put upon it they would have been a success?—I believe they might have been a success if we had had good land and a good class of settlers.

96. Who locates the land for this purpose?—That was done before I was Commissioner.

97. On whose recommendation is the land located?—I suppose there is a recommendation from the Chief Surveyor or Commissioner; and in some cases I think a number of men have formed themselves into an association, and they have had the privilege of selecting blocks themselves. I fancy that in the case of Heathfield and Waipati, in the Otago District, there was an association which selected these blocks. They are situated twenty miles from the nearest railway-station, and the roads to them are bad. I think there was a small area of 300 acres of open ground there, and the reason why it was opened was that the land was so poor that it would not grow bush or scrub. That showed that the men had no experience in selecting land, and that they were not up to the mark.

98. Is it within your knowledge that residents in town apply for land for the purpose of making a home for themselves when they retire, or of putting their sons on the land?—Yes.

99. Have there been a considerable number of such applications?—Yes, I think so.

100. Would you advocate that class of tenure?—I think it would be desirable to provide for such cases, but I also think that there should be certain restrictions in order to prevent dummyism. The principle appears to be right.

101. You say that the land laws and the conditions of settlement are suitable, generally speaking, for Southland notwithstanding any climatic difference?—Yes, the conditions are fairly liberal in regard to residence, &c.

102. You do not think it is necessary that they should be altered to suit the climate?—The climate here is not so severe as all that.

103. You say that Stewart Island is suitable for homestead settlement?—Yes; I think the homestead system could be applied to parts of Stewart Island better than to any other locality in this land district.

104. Do you think it advisable to settle Stewart Island at all?—Yes.

105. Do you not think it would be better to hand it over to the acclimatisation society or keep it as a reserve for flora and fauna?—Practically half the island is to be reserved for the preservation of the native flora and fauna and for scenery purposes.

106. The difficulty is that when settlement takes place it interferes with the preservation of the flora and fauna?—I should say that settlement will only take place along the coast. It is the interior and parts of the coast that are proposed to be reserved. [Witness indicated on the map the portions of the island proposed to be reserved.]

107. Is the timber valuable?—No; it is inferior timber country generally.

108. Do you find that the Crown tenants are all good payers?—Not all.

109. According to your last report they are satisfactory?—I think they are all perfectly willing to pay as long as they have the money.

110. You said something about small runs of 5,000 acres, and that they got half their rental back: is that for the improvements they have done on them?—No; they get nothing. The rule as to the improvements is this: If you are paying a rental under £50 per annum the law allows you five times that rental, and that is all the improvements that that run can be loaded with, and that is all the improvements the incoming tenant will have to pay to the outgoing tenant.

111. Are those conditions fulfilled? I suppose they are under inspection?—Yes. The improvements are valued about a month before the outgoing tenant leaves.

112. Supposing there were only about one hundred pounds' worth of improvements?—The Act does not make improvements compulsory, but the valuation of same at the end of term is based on annual rental paid.

113. Is there much cutting-away of forest going on?—Yes, in the way of sawmilling.

114. For settlement purposes?—Yes.

115. Is it good timber?—In some places there is fair timber; but, as a rule, we try and get the sawmillers to take out the timber before we throw the land open for settlement.



116. Is the timber sufficiently good for the Government to reserve a large area of land for the purposes of obtaining railway-sleepers and timber for bridge-building, &c.?—We would not put such blocks as that in the market.

117. When a person takes up an area of 200 acres for sawmilling purposes do you assess the actual value of the timber on the land?—Yes.

118. Is it checked after it has been cut down?—He pays a royalty before he commences to cut—that is, a royalty on the assessed value.

119. With respect to the regrassing of the land, hitherto runholders have spelled tussock land a little and then burnt it: have they sown anything in its place?—In a few places, but very little.

120. What did they sow?—I have known places to be sown principally with the “seconds” or the “thirds” from the threshing-mill or seed-cleaning machines.

121. Is that one reason why the ragwort is so plainly visible along the railway-line?—I think very little good grass has been sown.

122. That sort of thing is under control now, is it not?—I do not know that it is. The Commissioner has no power over any person buying seed. A person may buy bad seed.

123. Surely the Land Board has some power over a man who may deliberately go to a seed-threshing mill and get “thirds” and sow it on his land?—I do not think the best seed has been sown, judging from the appearance of the land.

124. It simply means that the Crown lands will become infested with ragwort and other weeds?—Our pastoral land, as a rule, is not very bad with noxious weeds, because it is all high country, and there has been little or no sowing upon it.

125. If the land were kept idle for, say, six months, and then burnt and sown with good seed, do you think that would be advisable: would it be the same as has been done in the case of the bush country in the North?—It would be very risky. You might sow it, but if it were dry weather after sowing you would not have any grass. I think in the North Island you have a larger rainfall in the bush country. In the interior of this district there is no bush; it is all high barren hills, and there is no rainfall to speak of.

126. Could you suggest any way of regrassing these lands?—Surface-sowing is the only way I could suggest.

127. Would surface-sowing do on bare tussock land?—Yes, I think so; but if that system were initiated you would certainly have to allow the tenant valuation for improvements.

128. But it can be done with surface-sowing?—That is doubtful.

129. Do you know of any high land having been regrassed in your district?—No.

130. *Mr. Paul.*] With reference to village-homestead settlements, I understand that these have not been successful—holdings of 100 acres?—It has not been a success here.

131. And you think it would be a success if the area were increased to 250 acres, not including worked-out sawmill-areas?—I said that was the land that might be available now for smaller holdings.

132. With reference to Crown tenants, do you not think that relaxing the residence conditions would lead to speculation as against genuine settlement?—Not if the Land Boards do their duty.

133. That would be the difficulty?—I think the Land Boards, as a rule, can be trusted to see that the conditions are carried out properly.

134. You think there is no aggregation of estates going on?—Not here.

135. There is not an aggregation and accumulation going on at the same time?—No, not here. It is the very reverse in this district.

136. *Mr. McLennan.*] With reference to the ballot, do you not think it would be advisable to prevent those who have been successful, and who have sold out their goodwill, from balloting again?—I think that is trading in Crown land. I think that a tenant who has held a land-for-settlement section, and who has sold it, should not be allowed to compete in another ballot for a certain time. I think he ought to be excluded for two years at the very least.

137. Do you not think it would be advisable to provide that he should not be permitted to go into the ballot for, say, two or five years?—It occurred to me that the term might be made two years.

138. *Mr. Anstey.*] With regard to the constitution of Land Boards, you expressed yourself as being favourable to a wholly nominated Board, but, if any change were suggested, that certain members might be elected by the tenants?—Yes, from Crown tenants as voters.

139. Would it not make a very one-sided Board in favour of the tenants?—I do not think so, as the Board is constituted here. There are four members and the Commissioner.

140. Would it not be sufficient if one member were elected by the tenants?—I do not think there would be any harm in two being elected. Two would be nominated as at present, and the Commissioner would have a direct and also casting vote. I think the Commissioner could be trusted to act in a fair spirit in carrying out the law or Acts.

141. What is the quorum of the Board?—Three.

142. Two tenant members might be present at a meeting?—It is not likely that would occur very often.

143. But it might happen that only two tenant members might be present?—Yes.

144. It seems to me to be very desirable that the tenants should have some representation on the Board, but when you suggested half the representation it appeared to me that it would over-balance the Board altogether?—Perhaps I am wrong in that idea. You have mentioned a case in which the Crown tenants would outvote the other member of the Board.

145. With regard to residential conditions in the case of inaccessible sections, you suggested that the Land Board should have a discretionary power: would it not be better to allow a discretionary power until a passable road was made to the farm before the residential conditions are enforced, or until reasonable access was given to the farm by road, sea, or railway?—As the Act



has been administered here we have always dealt liberally with tenants. We have administered the Act in a liberal spirit towards the tenants. I think the Land Board might be allowed a little more discretionary power to deal with each case on its merits. If you prefer to say that there should be a hard-and-fast rule—it is four years at present—you might extend the period.

146. Until a road was made, and then the lessee would have to reside?—Yes. I suggested that until reasonable access was given the residential clauses should be relaxed.

147. With regard to the ballot, I notice that you do not approve of the second ballot?—Yes.

148. Can you suggest any amendment with respect to the ballot. Let me mention an instance at Pareora. There were fifty-eight applicants for one, and only two applicants for another. The section for which there were fifty-eight applicants had a rent fixed for it, which was at least 50 per cent. too low, and the rent for the other section, for which there were only two applicants, was ample, and was probably more than it was worth. Can you suggest any way in which this sort of thing can be avoided in the future?—I cannot see how you can avoid having half a dozen first-class sections on an estate.

149. It was the opinion of the fifty-eight men who applied for one particular section that that was the best section. Can you suggest any way whereby these values could be more approximately ascertained: is there any way by which the people who apply could themselves fix the value?—The values are carefully made in this district, and I suppose it is the same in other districts. The Land Board revises the relative values of the sections, and they are helped by the Commissioner, and two expert valuers appointed by the Government, the one an agriculturist, and the other may be a pastoralist.

150. Have you noticed the same thing I have spoken of with regard to land ballots in Southland? Has it been the case that there have been a very large number of applicants for some sections and practically no applicants for others?—There may be, perhaps, thirty or forty applicants for, say, half a dozen sections, and perhaps these same men would not take up another section of the estate. A section may have a fair building on it, and that may induce a number of applicants to apply for that particular section. I may add that some of our rents are 15s. or 16s. an acre.

151. Are these the ones you get the large number of applicants for?—We have had a large number of applicants for the higher-rated sections, and I may instance the case of Edendale.

152. Has anything been tried in the way of encouraging tenants to grass the high land—for instance, what particular objection would there be for the landlord to supply grass-seed cheaply?—There has been no inducement offered.

153. Could any inducement be offered which would be fair or safe?—The main inducement would be to allow them valuation for improvements.

154. You think that would be better than to give them the seed for nothing?—Yes.

155. How could you assess the valuation for improvements? A tenant might sow grass-seed in an unfavourable season and get no result?—That, of course, would be the tenant's loss if there was no grass.

156. In what way would you assess the value of the land if the grass was there? Would you assess it by saying this land will carry so-many more sheep than it would have done before?—Yes.

157. Would that grass run out shortly, or would it be permanent?—Surface-sown grass appears to remain longer than grass put in under cultivation.

158. It would practically be permanent?—Yes, I think it would be more permanent.

159. I take it that you think it would be wise to encourage that?—Yes.

160. Even by the value for improvements or otherwise?—Yes.

161. You do not think anything could be done in the way of providing cheap or free grass-seed?—No, because it would be a risky matter sowing high country with grass.

162. That might be very risky for an individual, but it would not be, perhaps, much for the State to pay?—We have the results of the labours of the tenant, and after you see those results it can be taken into consideration.

163. You think that if the valuation were allowed the tenant would probably do it?—Yes, he might risk doing it.

164. *Mr. Forbes.*] With regard to the subdivision, I think you favour the Land Board being given the right to grant a subdivision in certain cases: is it not a fact that in dividing an estate it is sometimes divided into such sized farms that a man could not make a decent living off them?—Yes.

165. In such a case would you allow a man placed in such a position to divide it into halves?—No; I did not mean such a subdivision as that. It was in the case where a man's section was too small, and where a certain area might be allowed to be taken off an adjoining vacant section, thus making a payable holding. I think the Land Board should have power to divide such a section if it were not detrimental to the general working of the estate.

166. Where a section has been found too small you would be in favour of the Land Board having power to subdivide and perhaps allow a neighbour to get a portion of land from another neighbour?—Yes.

167. Do you know from your own knowledge whether there is a widespread desire on the part of the holders of lease-in-perpetuity sections to get the freehold?—I do not think there is any widespread desire for that until the tenants become financially sound.

168. Do you think they are fairly satisfied with that tenure?—Yes. Under the land for settlement I think they are fairly satisfied with their tenure—that is, the lease in perpetuity under the Land for Settlements Act. Of course, it is hard to say what they might desire when they grow richer and begin to accumulate money.

169. There is no very great discontent with the conditions of the lease-in-perpetuity leases under the Land for Settlements Acts?—No, I think not.

170. I suppose there are a great number of townspeople amongst the applicants for the ballot?—No. There are not so many applicants here. We are always rather pleased to examine all applicants, and, indeed, we would be pleased to have a few more applicants than we have. We are not in a position to pick and choose very much.

171. Do you group your applicants according to their means?—No. But if a man applies for a certain section he is brought before the Board, and if we think he has got sufficient means to work that section, or any section in the group, we declare him eligible for the ballot, but we do not classify the men.

172. *Mr. Matheson.*] With respect to the loading for roads which you have referred to, was that money spent by the Chief Surveyor by co-operative labour?—I have spent no money on roading since I came here, but I believe it was spent under the jurisdiction of the Chief Surveyor. I think the greater portion of it was spent under the co-operative system or by day-labour.

173. Do you not think that may explain to a large extent why the money was not sufficient?—Perhaps so.

174. Would you be in favour of the local bodies being allowed to expend these sums? Would they not expend them more economically than the Roads Department?—I think that as long as we have a local Roads Department these moneys should be expended by the Roads Engineer.

175. Do you not think that it would be more economically expended if it were done by the local body within its own district?—If you were to abolish the present system the local bodies might perhaps spend the money advantageously.

176. Do you not think the local body would expend the money more economically?—It is a difficult question to answer. Some local bodies might spend their money advantageously and others disadvantageously.

177. Seeing that the local bodies are formed for that purpose, and as they are working over a large area, is it not reasonable to assume that they would expend the money more economically than would be the case of a man working only a portion of that area?—Yes, I think it is reasonable to assume that.

178. Would you therefore say that such moneys for roads would be better spent by the local bodies rather than by such a Department?—I would not give that as my opinion. I have known moneys to be expended badly by the Department, and also cases where it has been badly expended by local bodies.

179. But in the ordinary case you would presume that the local body would be the most economical?—Yes, I have said so, with certain qualifications.

180. *Mr. McCardle.*] You have had considerable experience in the matter of roading, and I dare say, to some extent, in bush country?—Yes.

181. Can you give us a fair estimate of the cost of construction and metalling of roads in rough, broken country: we will take bushfelling and formation first?—I think you might put it at £3 per chain in this district.

182. That would be about £240 a mile?—Yes, sometimes that would do it.

183. The method adopted as to roading and “ thirds ” is a very tedious method of doing road-work, is it not?—Yes.

184. In your opinion, does the whole value of the land cover the cost of constructing the roads?—In some poor districts it would not.

185. Where the land is worth 10s. an acre or so?—It would largely exceed the value of the land.

186. Would it not be much better in that case to devote the whole of the rent for so-many years on the value of the section, and allow the local bodies to raise moneys for the construction of the roads, rather than to adopt the present mode of construction?—I believe it would. In the case of poor land, if it were not roaded under the scheme you refer to it will not be occupied at all.

187. With respect to regrassing, do you not think it would be worth while for the Land Department to set apart a small portion of one of the blocks and try an experiment?—I think the Commission could get good information with respect to that from the Otago Land Board in the case of Earnslaw.

188. Are you aware whether *Danthonia* grass has been tried in the country?—I know that on the Earnslaw the Government have expended a great amount of money in trying to regrass the country. As to what mixtures have been sown, I cannot say.

189. *Mr. Hall.*] What are the principal noxious weeds in this part of the colony?—I think, the ragwort and the Californian thistle; and the latter is spreading very much and probably is the worst.

190. On grain land?—Yes, on all land. There are other weeds, but I think you will get better information with respect to them from the members of the Land Board, who are practical farmers.

191. Has Stewart Island a wet climate?—Yes.

192. There is therefore not much danger of settlement on the foreshore causing fires amongst the timber?—There is the greatest difficulty in burning off even on the small holdings now.

193. *Mr. McCardle.*] With respect to roads, do you not think it would be better to put them on under the leasehold system, instead of the homestead system, without any payment at all?—I think it would not be a hardship to make the selector pay the cost of survey.

194. Roads are more important?—Yes, roads are more important than the survey. The Government would get the good of the survey fees if it were done by the staff. I think there might be a very small rental put on that would assist in road-construction.

195. And vested in the local bodies?—Yes.

196. And they could raise the loans on the strength of it and give roads in a short time, and thus assist in promoting settlement.

197. *Mr. McCutchan.*] With reference to the value of land when it was taken up and its value now, let us take a concrete instance. We will suppose it has cost 5s. an acre for a block of Crown or Native land, and on that there is 2s. 6d. or 2s. an acre for survey—that is 7s. 6d.; and we will take 25 per cent. for loading for roads, and probably you have it then at 10s. an acre. In some districts in the North Island such land as that is being sold at £1 an acre. The question is whether that is State expenditure or settlers' expenditure?—The loading is simply borne by the selector.

198. And therefore, in as far as the land has increased in value, the settler is entitled to all the value as soon as he has paid for it?—Yes, if I understand you rightly.

199. *Mr. Forbes.*] What were the two land-for-settlement estates which you have referred to as not being a complete success?—Otahu, in the Waiau, and Beaumont, on the bank of the Aparima River.

ANDREW KINROSS, examined.

200. *The Chairman.*] You are a member of the Southland Land Board?—Yes.

201. You are a very old settler?—Yes, I have been forty years in Southland. I had a farm in the vicinity of Invercargill for upwards of thirty years, but I now reside in the town. I have been a member of the Land Board for upwards of twenty-two years.

202. I see you took a very prominent part at the Land Conference in Wellington, and you have heard all that Mr. Hay has to say: are there any particular points on which you would like to enlighten us?—Well, as to the constitution of Land Boards, I look upon Land Boards as judicial Boards. They have the same judicial functions as Judges and Magistrates, and I think that they should be appointed in the same manner.

203. That is to say, they should be nominated by the Government?—Yes.

204. Then, you do not favour election at all?—No; and I think it is impracticable, for nobody would canvass the whole of a land district for the sake of 10s. a day.

205. But you also oppose it on principle?—Yes.

206. What have you to say in regard to the tenures upon which land may be obtained?—I think that the optional system which is now law is a very good system indeed. Those who have sufficient capital are enabled to buy for cash on condition that they improve the land. Those who have not sufficient capital to buy at once have an opportunity of leasing it by paying 5 per cent., so that at some future date when they are prepared to buy they may be able to do so, and those who never expect to have sufficient capital to make the land their own can get it at a low rate of 4 per cent. for 999 years. Therefore all classes of settlers may be suited. I think the optional system is an admirable one to promote the settlement of the country. It should be the object of all land laws to promote the settlement of the country and to prevent monopolies. I do not think it would be out of place if I referred to an opinion that is very generally expressed at the present time. There are many people, principally town residents, who wish to abolish the optional system. I think it would be a very great mistake to do so. We must look at the question from a practical point of view, and not from a theoretical one. It seems to be thought that if our land was leased instead of being sold the State would obtain a large unearned increment. That is quite a mistake. If that had been done when the colony was first settled it would have been a good thing; but the day has gone past for that. I say nearly all the lands in the hands of the Crown are rural lands of a most inferior nature. Take Invercargill, for instance. When land in this town was first sold I believe the quarter-acre section occupied by the Bank of New South Wales and other buildings was sold for £8. At the present time the unimproved value of that section is £9,150, and the unimproved value of the next one is £6,270. To show the difference in the rural lands, there are thousands of acres of fairly good land within a few miles of Invercargill open for selection at 5s. per acre. At one time that land was valued at £1 per acre. Under the Act of 1887 the minimum was reduced to 10s. per acre, and now it has been reduced to 5s. We would be very glad if it were taken up. It is between here and the Bluff, and is not very far from the railway. It is rather wet, and, unfortunately, there is not much fall to it. I am under the impression that it would be a good thing if the Government made the main outfalls, because I think it would be taken up then. When persons take up land of that description—and nearly all the Crown land in Southland is of an inferior description—they should be encouraged in every way, and every practical man must admit that it is a great encouragement to a settler to know that he has an opportunity of making himself the owner of improvements effected by himself. In gaining for the State the unearned increment, I may say we have a provision in connection with our land laws that effects that object. I consider that our graduated system of taxation is one of the best systems in the world to prevent monopolies and to give the State the benefit of the unearned increment. I am under the impression that New Zealand is the first country to pass that law, and think there could be no better law for the purpose of settling people on the land. Although I consider the optional system the best system for dealing with Crown land, I think the estates purchased by the Government under the Land for Settlements Act are in quite a different position. That land is already improved when the tenant takes it up. He has not the labour and trouble and anxiety of bringing it into cultivation that the ordinary Crown tenants have to undergo. I quite approve of the manner in which the estates under the Land for Settlements Act are now dealt with—that is to say, by lease in perpetuity. I may say that in Southland our estates have not been so successful, perhaps, as in other parts; however, they are mostly taken up, and the settlers are doing fairly well.

207. I dare say some of the lands about Winton, and Riverton, and Jacob's River have gone up a bit?—I am referring now only to Crown lands, and not to sold lands. I have endeavoured to show that the graduated tax prevents monopoly. There is no monopoly in Southland nowadays, and, so far as I know, no dummyism. We had the worst land law in the colony at one time. It was free selection. A man could take up as much land as he liked. Upwards of 30,000 acres was taken up in one block. The greater part of Southland was taken up under that Act;

but owing to the graduated tax, and partly owing to the rabbits, the larger estates have been broken up. I have no fear of any aggregation taking place so long as the graduated tax is properly used.

208. You are in favour of the freehold on the optional system in regard to Crown lands?—Yes.

209. But you are not in favour of the freehold in regard to land for settlements?—Certainly not.

210. The tenor of your other remarks is that there is no aggregation of estates here?—No. There is this other thing: Those who wish Crown lands to be held over do not seem to be aware that the Crown lands are always deteriorating in value owing to weeds and rabbits, and that the Crown is put to considerable expense every year in keeping them down. If they were occupied now and improved our successors in the future would get the land improved and ready for occupation, instead of getting it in an inferior state and covered with weeds and rabbits.

211. Have you anything to say in regard to the question as to whether Crown tenants labour under restrictions?—I think Mr. Hay dealt fully with that.

212. Mr. Hay dealt very fully also with the question of residence, and he did not want so much an alteration of the law, but a certain amount of discretion for the Land Boards, which I think is a very wise thing: do you wish to make any remark in regard to that?—I quite agree with that. By my reading of the Act, by subsection (4) of clause 143 of "The Land Act, 1892," we have a large amount of discretion at the present time. I think that clause provides for everything. It leaves the matter entirely optional with the Boards, and I construe the section in this way: If I think a person is a *bonâ fide* settler who wishes to make his home on a section, although he may go away to work somewhere else for a length of time, or if he cannot get access to it and comes to the Board and gives us some sufficient reason, I say, "All right," and support a further extension of time. I think this clause gives us ample power.

213. What are your views about homestead settlement: Having heard Mr. Hay, do you think the system could be applied very well in Stewart Island?—In some cases it could be applied. I think a person who actually brought some land into cultivation would well deserve a Crown grant to it. It would be a matter for selection.

214. Do you wish to say anything about the ballot system?—That is a question to which I have given a great deal of attention. Under our first colonial Crown Land Act, passed in 1877 by Donald Reid, the then Minister of Lands, two systems of settlement were provided by law—viz., partly by cash, and partly on deferred payment—but all the land went up to auction.

215. *Mr. McCardle.*] I would like to draw your attention to an error in history. Donald Reid passed a provincial Act somewhere about 1868 or 1870, but the general Act that you refer to was passed in 1877, and was amended in 1879 not by Donald Reid, but by Mr. Ballance. Is not that so?—I think you are mistaken.

*Mr. McCardle:* The Atkinson Government went out in 1877, and the new Government came in in the same year, and I presented a petition to Parliament praying that the deferred-payment system should be brought into operation.

*Witness:* Mr. Ballance was Minister of Lands in 1877 and 1878. In 1878 I was first appointed by Mr. Ballance, but prior to that date I am under the impression that a colonial Act was passed by Mr. Donald Reid. However, under that Act, by whomsoever it was passed, it was provided that rural land could be sold partly on cash and partly on deferred payment. The deferred-payment land was to be paid by twenty half-yearly instalments, and for that concession the deferred-payment land was to be charged one-half more than cash land. For instance, if cash land was £1 per acre, deferred-payment land was to be £1 10s. per acre. In 1884 Mr. Rolleston was Minister of Lands, and an amending Act was passed which brought the perpetual lease into force. That, of course, was something like occupation with right of purchase. A man paid 5 per cent., and he bought at the end of a certain term. In 1885 Mr. Ballance passed an Act, and, so far as my knowledge goes, that was the first Act ever passed by Mr. Ballance. Under that Act land was open for selection partly for cash, partly on deferred payment, and partly on perpetual lease, and the extra payment on the deferred-payment land was reduced from one-half to one-quarter. As I said, under Mr. Donald Reid's Act the land went up to auction; but under Mr. Ballance's Act of 1885 it was open for tender. Under the auction system there were thousands of settlers who had run the land up to a price far above its value, and who were quite unable to pay. Consequently, in 1889, the Hon. G. F. Richardson brought in a revaluation Act empowering the Land Boards to revalue all the deferred-payment and perpetual-lease lands. In conjunction with the Ranger, I revalued every perpetual-lease and deferred-payment section in Southland, and we made considerable reductions. Of course, that proved that the auction and tender systems did not work well. Mr. Richardson introduced an amending Act in 1887 which provided for the ballot, and that ballot system has been the law ever since. In Southland the single ballot has always worked very well. I have never heard any complaints about it. Every one was satisfied, and settlement went on extremely well. The only mistake made sometimes was that allotments were valued rather highly by the surveyors, but the settlers afterwards got some reductions under the law. I have never heard any one propose a better substitute for the ballot system. I read *Hansard* carefully, and I observe that many members of the House have brought certain charges against members of Land Boards—I cannot say which—of administering the land in an improper manner. Some members asserted that under the ballot system there is as much gambling and speculation as under the auction system. I cannot see how that could possibly take place. It has been asserted by some that after the sections have been drawn a successful applicant has been offered hundreds of pounds to transfer the section to some one else, and that such transactions have taken place. I cannot see how any Land Board could agree to such a state of things as that. The Act says that no one shall be allowed to transfer a section until he has occupied it for a year and complied with certain conditions. Nothing of that sort has ever taken place in Southland. I think

I have said sufficient to show the single-ballot system is a good system, and, although it has been departed from under the Land for Settlements Act, I cannot see any reason for it.

216. *The Chairman.*] Do you approve of the double ballot?—No.

217. Have you anything to say in regard to loading for roads, or the valuation of land, or the working of the Advances to Settlers Office?—No; I think Mr. Hay dealt with them.

218. We have already gathered from your remarks that there is no such thing as the aggregation of large estates?—No. I may say this is a very large question, and of great importance. I have no doubt you will look at these things from a broad point of view. In other countries it has been the custom to have large estates. We have brought in a law which says that no man living out of New Zealand shall hold land in New Zealand unless he is penalised for doing so, and which also says that if a man holds more than a fair quantity of land he shall also be penalised by the payment of a graduated tax. Well, it is proper when a new Act of that kind comes into force that the graduation shall not be too heavy; but this Act has been in operation for twelve years, and I am surprised and disappointed that the graduated tax has not been increased more during that time. If it had been increased as I think it ought to have been increased, there would not have been any of this trouble, for instance, over the Flaxbourne Estate. I think it would have been offered to the Government at a fair price.

219. You would graduate to the point of extermination so far as large owners are concerned?—I would, by degrees. If they would not take a fair price when other people are wanting land I would give the screw another turn.

220. Have you any observations to make in reference to the pastoral lands of Southland?—Yes. This country is somewhat different to pastoral country in other places. There was a law in Southland at one time which permitted unconditional free selection. Under that Act most of the runholders bought up the low country, and nearly all the land left consists of high country that is not worth buying. You see, up to recent times those who held the high country also held the low country, and they worked the two in conjunction; but the new people who come in and take up the land now have not the same facilities, and they have to improve the land now. They ought to be encouraged to improve it in various ways. So far as surface-sowing is concerned, there are many places covered with fern now, and if at the proper time the fern was burnt off the land would take grass right enough. There are other places that would not pay to bring into cultivation, but if some implement in the nature of a harrow or spike implement were run over the surface to tear the surface soil, and grass-seed was dropped into the ruts, it would take well enough.

221. Do you think that would be practicable in the high places?—There are some places where it could be done. At the present time the law allows no valuation for that, and I think valuation should be allowed. Such a change would encourage settlers to improve the land. They have a good tenure at present, because they can have twenty-one years.

222. Do you wish to make any observation about the treatment of Native forests in Southland?—I am sorry that some portions of Southland have been opened up for State farms, and so on, before the timber was cut, and good timber has been destroyed which was worth far more than the value of the land. I consider that in nearly all places where the timber is valuable the land should not be open for settlement until after the sawmills have been through it; but we have found, in regard to many places where the mills have been through and cut out the timber, great difficulty in getting the land withdrawn from the State forests. If it is not withdrawn promptly it becomes covered with "lawyer" and rubbish of every sort; therefore I think the sooner it is open for settlement after being cut out the better.

223. *Mr. McCutchan.*] You favour Land Boards being appointed the same as Judges: I understand Judges are appointed for life and on good behaviour?—I mean that there should be the same system of nomination, but no alteration in the present tenure of office.

224. Do you not think that under our system of party government, no matter how pure a Government may be, Land Boards might from time to time be nominated who would not be representative of the settlers on the land?—There is a possibility of that. I might point out that at one time when my two years expired the Hon. G. F. Richardson was in office. He was quite aware that I always voted on the other side in politics, but he considered I administered the Act so fairly and justly that he reappointed me.

225. With reference to the optional tenure, there is just one feature in regard to which I wish to ask your opinion. The occupation-with-right-of-purchase tenants have a right to change a lease to one under the lease-in-perpetuity tenure: do you not think that under a really optional system the reverse process should be allowed?—I think so. I would like to make a slight correction of a previous statement. I have already said I approve of the optional system, but I think that if the deferred-payment system were added to it it would be a very admirable addition—that is to say, that selectors should have the right also of selecting on the deferred-payment system. The only difference I propose is that originally they could not purchase before ten years; I think the term should be twenty years. I think such an addition would meet all requirements, and could not be improved on.

226. With reference to the question of residence, lease-in-perpetuity tenants are compelled to reside continuously for ten years, while occupation-with-right-of-purchase tenants are only obliged to reside for six years: is there any good reason in your mind why that distinction should be made?—I have never thought seriously over the matter. I cannot say what was the exact reason for it.

227. Do you think there is justice for it?—I think it might be well to put both on the one footing.

228. *Mr. Johnston.*] Have the values of agricultural and flat lands increased or decreased in the last twenty years?—Private lands have increased. I have been confining my remarks entirely to Crown lands.

229. How much do you think the value of freehold land has increased?—In some districts very much more than in others.

230. What has been the increase in this valley up to Gore?—That land brought a high price very many years ago. They sold farms on Edendale over twenty years ago for more than they got for the estate the other day.

231. What was the price given by the Government for the estate?—£5 15s. per acre.

232. That includes the ridges: I mean the good agricultural land and the best fattening paddocks?—The best was valued up to £15 per acre, but the company spent an enormous amount on it. Some people say the company spent nearly that amount in fencing, liming, and cultivating. It was in the best of grasses, and any one who rented land valued at £15 per acre could go and get a good return at once. No further outlay was required at all.

233. Was any of that land sold at more than £15 per acre some years ago?—Yes.

234. And what would it bring now?—The land that brought £15 recently is worth a great deal more than when it brought £15 before, because it was not limed then. But at times there have been booms.

235. Are the rabbits decreasing?—Yes. They are not nearly so bad as they were, although I have heard some say they have increased a little this season.

236. Are they kept down on the Crown lands?—They are to a certain extent, but some of the adjoining proprietors complain that they are not kept down as they ought to be.

237. Have the proprietors of these big estates which you say have been burst up by the graduated tax made much profit out of them?—I think most of them have not. One proprietor who selected 30,000 acres more than thirty years ago told me lately he would take half the money he had spent on it. Perhaps he did not spend the money judiciously.

238. You approve of the graduated tax?—Most strongly.

239. Now that the area is becoming so limited you approve of retaining some of the forest land for the Crown, and not allow it to be used for sawmilling or settlement purposes—I mean good flat land with bush on it?—We have very little of that land left.

240. If there is so little, is there not so much more reason for keeping what is left?—Yes.

241. *Mr. Paul.*] Am I to understand that all the Crown lands in close proximity to Invercargill have decreased in value?—Nearly all. What I mean is this: Every year the best is selected, and it is always the worst that is left. For that reason the remainder has decreased in value.

242. Is not all that land taken up on leasehold tenure?—The land I was specially referring to is not taken up at all, but some lands of the better sort adjoining have been taken up.

243. What is your opinion on the question of revaluation for leases let in the future: do you think they could be revalued periodically?—I think it would not be fair to those who have taken up land under the present conditions. The State, through the Taxing Department, revalues regularly, and I think that is quite sufficient.

244. I am speaking of future leases: I do not propose to revalue those leases at present in existence?—It is not very material, because very little good Crown land is left. I have no doubt there may be some in the North Island, but in this Island there is very little that will increase materially in value.

245. It is not only a question of increase in value; there is also the question of decrease in the value of land held on lease, and if a man's land decreases in value do you not think it is right to reduce his rent?—Yes; I have no objection to that principle at all. Of course, the principle has been embodied in a Fair Rent Bill, but the House has never thought proper to pass it.

246. You are in favour of larger discretionary power being given to the Land Boards?—I think they have as much discretion as they require, and that they can do as they like.

247. Do you think that clause 143 that the Chairman read can be applied generally?—I think so. I am speaking of Crown lands, not of lands under the Land for Settlements Act. That is quite different. There is a great distinction between the two.

248. You think the Boards have full enough powers at present?—Yes.

249. *Mr. McLennan.*] Has your Board many tenants under the Land for Settlements Act?—We have four or five estates.

250. I presume they are paying in rent from 2s. 6d. to 15s. and £1 per acre?—Each section has a separate value.

251. Do you think it is fair that a man who only pays 2s. 6d. a year should take as many crops off his land as a man who pays 15s.?—If that ever occurs it shows that there has been a mistake in the valuation. Each section in our estates here is valued, according to the opinion of the valuers, on what it can produce, and we would expect land let at 15s. per acre to produce six times as much as land at 2s. 6d. Of course, mistakes may occur; but the sections are valued and revalued and classified as well as men can judge.

252. Do you not think that the Land Boards should have discretionary power?—It might be desirable to have a revision in values sometimes, and I think the Land Boards should have power to recommend the Minister to make such a revision.

253. I am alluding to cropping as well. One man who pays 2s. 6d. takes two white crops and one green crop off his section, and another man who pays 15s. is only allowed to do the same: do you not think the Land Boards should have discretionary power to enable them to permit a man who pays 15s. per acre to take more crops off his land if the land is capable of producing them?—Certainly; the regulations ought to provide for that. Nothing of the sort has come under our knowledge here.

254. *Mr. Anstey.*] You expressed yourself in favour of a graduated system of taxation, and spoke of it as preventing any aggregation of large estates: do you think that under a proper adjustment of that system you could do away with all necessity for the restriction of areas—at present you

are aware a man is only allowed to occupy 640 acres of first-class land, and that land may be worth £5 or £50 per acre?—I think these are fair areas; but if in the future, when population increases, it is thought desirable to decrease them to whatever the country decides is a fair area, I think the graduated tax could be so adjusted as to prevent any man holding more than that area.

255. Is it not more a question of value than of area?—Yes; the tax is not levied on the acreage, but on the pound.

256. The limit of occupation is acreage and not value at all, and I ask you whether, if the graduation was properly assessed on the value, it would not limit holdings without any limitation of area at all?—Yes, it would. There is another point. You are referring now entirely to rural lands. The beauty of the graduated land-tax is that it catches monopolists in the towns as well as in the country.

257. You spoke just now about the decrease in value of Crown lands, and you put it down to the fact that as the best land was selected only inferior land remained: can you inform us whether there has been any increase or decrease in the actual value of the land that has been selected?—Any fairly good agricultural land has increased in value.

258. That is to say, a section taken up five years ago is probably worth more to-day than it was then?—Yes.

259. You have a number of settlers under the lease in perpetuity Act in Southland: have you had any considerable complaints from them as to the form of their tenure?—Very few. I would like to point out that when the optional system was initiated the numbers who selected the different systems were nearly equal, but according to last year's report 402 sections were taken up under occupation with right of purchase, and only ninety-seven under the lease in perpetuity. That shows the people are in favour of having the right of acquiring the freehold, and I think the people themselves ought to be the best judges.

260. *Mr. Forbes.*] With regard to the constitution of Land Boards, as both the Crown tenants and the Land Boards are interested in the working of these estates, do you not think it would be advisable and in the interests of settlement if the Land Boards had some assistance from a person directly elected by the Crown tenants?—So far as my personal feelings go, I am always anxious to see the Crown tenants prospering, and I would just conserve their interests as fairly and justly as a man selected by themselves.

261. I do not doubt that for one instant, but possibly in other parts of the colony the position may be different: do you not think that if the settlers had one representative on the Board it would provide a kind of safety valve for their grievances?—As a matter of fact, the Minister of Lands has already nominated a number of tenants to the Land Boards, and there is no reason why he should not continue to do so.

262. Do you not think it would give more general satisfaction if the tenants had the power of electing a member?—It may be their opinion; I do not see any necessity for it.

263. *Mr. Matheson.*] You said that in dealing with land matters you are very anxious to act in a judicial spirit: do you feel that you have as carefully thought out the position of the large holders as of the small tenants when you suggest a graduated tax to screw them out of existence as a fair and proper thing?—I think it is a fair thing. No man has any right to monopolize more than his fair share of land in this or any other country.

264. When the Crown acquires land for settlement it becomes Crown land to all intents and purposes?—Yes.

265. Then, if you think that, why should you not give selectors the right to acquire the freehold that you would give for Crown lands?—Those who take up Crown lands get them in a state of nature, and they have a great deal to contend with. If a man takes up land of that kind and brings it into cultivation, and spends years upon it, I think he is entitled to the freehold of it; but a man who takes up land that is already in a state of cultivation is in quite a different position.

266. After all, is it not a question of finance from a colonial point of view? I think you suggest that the ordinary Crown tenant has a right to the freehold to gratify a sentiment to a large extent?—Partly.

267. And he has paid a certain rate of value for the land?—Yes.

268. Every man pays what is the practical market value for the land, and if from a matter of sentiment you would like to acquire the freehold, do you not think the State would be wise to grant it?—There is another consideration. It is the duty of the State, for the benefit of both State and tenants, to encourage every one to improve inferior land. The lands on acquired estates are already improved to their highest value, so that there is not the same necessity to encourage settlers. In addition, the Government having spent money in buying the land, it does not seem right and proper that they should part with the freehold again.

269. You will agree that there is just as much room for improvement in regard to some of the land-for-settlements land as in regard to some of the Crown lands?—None that I know of. It may be so in other parts of the colony.

270. Then, you think the State would be doing an unwise thing from a financial point of view in granting these people the freehold?—I am not speaking from a financial point of view alone, but from all points of view.

271. Will you specify another point?—The State, having already purchased the land, should retain it. The State might have to repurchase time after time if the right to acquire the freehold was granted.

272. What possible harm would there be in repurchasing if the State, after buying at £3 and selling at an increased value, had lost nothing?—I admit there may be some arguments in favour of it, but at the same time I am not in favour of it.

273. I was only trying to hear one of your arguments against it, and you only look at it from a general view?—Yes.



274. *Mr. McCardle.*] You object to giving representation to the Crown tenants on the Land Boards?—I do not object to it at all. I merely said I did not see the necessity for it.

275. We will say that the Government cuts up a large block of land and lets it out on lease at 10s. per acre, and that each of the tenants, before he can bring that land into a reproductive state, has to spend £3 or £4 per acre in improvements: now, has not the tenant a very much greater interest in that land than the Government?—Yes.

276. Well, in that case do you not think the man who has the greatest interest in the land should have a voice in its administration?—If it was found that the Land Boards were acting unjustly to the tenants.

277. But it is too late then?—I am only expressing my own opinion. I am perfectly satisfied with the present system.

278. But you may not always have a Government who recognise the interests of the small settlers?—When the Boards act unjustly you can alter the system. I do not admit that it is likely to happen. I have no objection to the elective principle, but I think it would be a very difficult principle to apply.

279. In regard to the homestead system, do you not think that it would be very much better if, instead of giving persons in Stewart Island a homestead section free of any cost whatever, they were asked to pay a reasonable amount of rent to be expended in making roads, and that the local bodies should have the power to raise loans on the strength of these rents?—I am not prepared to say that Stewart Island is a proper place for this system; only I think, from what I have heard, that there are some parts of the colony where the settlers would be well worthy of getting a Crown grant if they improved the land.

280. But, if they have no roads, what good would the land be to them?—They must make their own roads.

281. But how can they? Would it not be much better if they paid an annual rent for the purpose of providing a fund to make the roads?—But people would not be willing to pay the rent, and they would not take up the land. I say that at the Land Conference I heard some Auckland members speak strongly in favour of that system.

JOHN MCINTYRE examined.

282. *The Chairman.*] You are a farmer?—Yes.

283. And a member of the Land Board?—Yes.

284. How long have you been in the colony?—About forty-five years, and I have been engaged in farming about forty years.

285. You have heard the evidence to-day: do you wish to add anything to it or to your remarks at the Land Conference at Wellington?—I have nothing particularly to say in regard to land reform. I think our land laws are very fair. The optional system is to be preferred, according to my opinion, to anything we have had before.

286. So you are in favour of the freehold under that system?—Yes.

287. If you were altering the law would you give the same option of freehold in regard to land acquired under the Land for Settlements Act?—According to my opinion, it is only a question of time when they will have it.

288. So you approve of it?—I see no harm in granting it.

289. I suppose you would require each settler to hold it for a period on lease before granting the freehold?—Oh, certainly. I would not grant the freehold until after ten or fourteen years of leasing. I am of opinion that Crown tenants will have a better standing by having the right of acquiring the freehold, whether they exercise that right or not. I think their credit will be better, and if they want to borrow money they will be in a better position to do so.

290. Then, when the time came when the settler wished to exercise his right of purchase, would you let him have it at the original price at which he occupied the section, or would you charge him the value at the time the purchase was made?—I think that nearly all these sections are fairly valued when the settlers take them up, and that anything that is put on in the way of improvements belongs to themselves.

291. Have you any opinion in regard to the constitution of Land Boards?—Nothing very strong. If I knew the mode of electing members to Land Boards I might be inclined to give an opinion, but not otherwise.

292. Do you think the conditions of residence are too exacting and require relaxing?—I do not think so, so far as our experience goes in Southland. During the period I have been a member of the Board any one who has been at all inclined to make a residence on his section has had every opportunity to do so. The Act gives us a discretionary power to deal with all these cases.

293. Do you think it would be advisable to try the homestead system for the purpose of settling the poor lands of Southland?—In my opinion, it would be desirable to again revert to the homestead system, but I would alter it to the extent of giving an increased area of this poor land. The original form, in my opinion, was not desirable, because the area it allowed was too small. One hundred acres of this poor land is no good at all. Nobody would take up such an area. You must make the area big enough to enable a man and his family to make a living off it.

294. Have you any decided opinions in regard to the ballot system?—In our experience the single ballot has given more satisfaction than anything else. The grouping in the double ballot does not seem to give satisfaction. We never heard any grumbling prior to the alteration.

295. Perhaps you can give us some ideas about this pastoral country?—There is an immense area of pastoral land here of very small value, and unless something is done to encourage good men to take it up by giving them some value for their improvements it will always remain at a low value.



296. Do you think it is practicable to improve it?—I think so, by giving long tenures and reasonable improvements, and by giving good value for improvements. Men with sense would not at the present time spend anything on this pastoral country.

297. It has been said that the low land has been divorced from the high land: would it be necessary for the Government to repurchase some of the low lands in order to provide homestead-sites and yards for the high country?—Yes, there are some places where that should be done. It would be a judicious policy to buy the low country where it abuts on the high country.

298. As in the Dome country, for instance?—Yes.

299. Have you any experience of the grassing that was referred to?—I have seen a number of people try it, and some have been successful and some have not. There is a good deal to be said about grassing. I think, in addition to grassing, the settlers should close up a portion of their country, and give it a rest for a year or two, keep the rabbits out of it, and then set fire to it. The grass would then be given a fair chance to recover. But there is some very hard dry country on which the grass would never strike even if it were sown a dozen times. The work requires a lot of attention, and must be done at the right time of the year. I think a lot of the pastoral country in Southland could be improved and brought back to its original state if proper attention was paid to it. It was very much better in its original state than it is now; 1 acre was then equal to 10 now.

300. I suppose you would not approve of selling these lands?—I do not think it would be possible to sell them. I would not be inclined to sell them. The low price that they are worth is nothing to the State, and no doubt when population becomes more plentiful the grassing of the runs will be taken up, and the time may come when it will be advisable to cut them into smaller areas.

301. *Mr. McCutchan.*] I would like to ask your opinion with regard to mortgaging these leases under "The Land Act, 1892"?—They are not usually mortgaged. The small amount of improvements on them does not allow any margin.

302. Have you any fairly good Crown lands?—Yes.

303. I wish your opinion with reference to them more particularly?—Like everything else, they suffer a little hardship sometimes in not getting the amount of money they require. They cannot pledge the land.

304. I understand that the freehold of Crown lands can be mortgaged up to 60 per cent. of its value, of first agricultural land up to 75 per cent. of its value, but leased land can only be mortgaged up to 50 per cent. of the improvements?—I do not think they could even get 50 per cent.

305. But he is allowed that limit by law?—Yes.

306. The Crown tenants find it a great hardship that, although the law allows them up to 50 per cent. on their improvements, the Advances to Settlers Office only advances them up to 30 or 40 per cent. Suppose a man's improvements are worth £200, the law allows him to get £100 on them, but the Advances to Settlers Office only advances him £80. Do you not think that the Advances to Settlers Office Department might reasonably advance up to 60 per cent. provided the amount of the mortgage is spent on reproductive work?—I think it would be perfectly safe business for the State.

307. *Mr. Johnston.*] You are on freehold property, I understand?—Yes.

308. What is the area?—1,700 or 1,800 acres.

309. Good land?—Very fair land.

310. You said you believed in letting people have the freehold, but that you did not altogether approve of the leasehold?—I approve of leasehold because I think that many people could not get on the land without the leasehold. I simply approve of them having the right of purchase.

311. It is utterly impossible for men without means to go on a freehold?—I do not think there would be one-twentieth of the people on the land if it were not for the leasehold.

312. If it were not for the lease in perpetuity there would not be so many men on the land?—I am satisfied in my own mind that if 1 per cent. were taken off the interest on the prairie value and it was brought to 4 per cent., as in the case of the lease in perpetuity, there would be very little lease-in-perpetuity land taken up at all.

313. The land would not have been settled to the extent that it is now if it had not been for the lease in perpetuity?—Certainly not, except for the optional system.

314. You practically indorse largely what Mr. Hay says?—Yes.

315. Have you tried Chewing's fescue on high lands?—I am of opinion that it is good grass for very poor country, but it is not desirable for land that is in cultivation.

316. It is a good grass in dry country?—It is in poor country, because it spreads like a noxious weed.

317. Do you not think it advisable that the State should stop the spread of these noxious weeds?—They are doing it in Southland. The Inspector is round every other day.

318. *Mr. Paul.*] You favour giving Crown tenants the freehold at the original valuation?—Yes.

319. You would also be in favour of private landowners giving their tenants the freehold?—You have no command over them.

320. With regard to the valuable educational endowments, borough reserves, Harbour Board reserves, &c., would you be in favour of giving tenants the freehold in such cases?—Of course, those are endowments. I do not think they should be made freehold.

321. Do you not think, if the Crown tenant is given the right of acquiring the freehold, that there will be an agitation on the part of the tenants on the reserves I have mentioned also to acquire the freehold?—I suppose there will be an agitation, but I do not think it would be wise legislation to interfere with those endowments.

322. That is on account of the revenue derived from the rents?—Yes.

323. If it is beneficial to these institutions and bodies to keep these endowments and conserve the rent, is it not also beneficial to the State to keep the leasehold and have the rent coming in as revenue?—It is a sort of British idea that a person would like to have a piece of land of his own.

324. We will presume that the tenant of an education or harbour endowment is British also?—I do not think the two cases are analogous.

325. I understood you to say that a leaseholder suffered a disadvantage in not being able to borrow money on his leasehold?—Yes.

326. That is a great objection to the leasehold?—I think that is the biggest objection we have here.

327. Then, if regulations could be framed enabling a man to get an advance on his lease you would favour the leasehold?—It would not alter my opinion on that. It would simply be making the State more liable for loss than if the other way.

328. But you would be conserving the freehold and giving the leaseholder an opportunity of developing his land?—I think it is a desirable thing to encourage people.

329. *Mr. Matheson.*] Supposing you granted the tenants of Harbour Board and education endowments the freehold and invested the money in Government funds, it would be returned to them in interest: would not that answer their purpose?—It might do, but I would think it would be just as wise to keep them as they are. I do not think I would interfere with any endowments in the way suggested.

330. *Mr. McCardle.*] Do you not consider that the lease with the right of purchase has been the greatest factor in getting the land settled?—Yes; I think that if the 1 per cent. interest were taken off very little land would be taken up under the lease in perpetuity.

331. In regard to Southland, which of the two forms of tenure were the tenants most anxious to acquire the land under?—After the Act came into force the lease in perpetuity took the lead, but after a few years had elapsed the occupation with the right of purchase was in most favour.

332. Do you not think that the man with a 999-years lease should be free from all control of Land Boards as long as he has complied with the conditions and completed his improvements?—Of course, he has to pay his rent.

333. Under the lease in perpetuity, if the leaseholder were free from the restrictions of the Land Boards so that a money-lender could see that he had fair security, the leaseholder would get money from an outsider in order to buy stock and in other ways to make the property reproductive?—I do not think he could get the money unless he had the right of purchase. There are no means, as far as I can see, under any Act whereby you can touch the land unless you have the right to purchase.

334. You could do this as well in the other case if he had completed his improvements and were free from the restrictions?—The Government must always come in first.

335. Suppose the land is £1 per acre and the leaseholder has spent £4 an acre on it, and the land is then worth £5, the leaseholder has then a £4 interest in the land and the Government only £1?—I would like to see the most of the tenants as free of the Land Boards as possible, but I cannot see how they can succeed unless they had the right to acquire the freehold.

336. You can only see one remedy, and that is to grant the right of purchase?—Yes.

INVERCARGILL, THURSDAY, 23RD FEBRUARY, 1905.

GAVIN BRIGHTON examined.

1. *The Chairman.*] Where do you come from, Mr. Brighton?—I am a settler in the Wairaki district. I have a little over 300 acres, part of which is freehold and part held on the optional-purchase tenure. I would like to state my opinion that if the Government would make the lease in perpetuity and the occupation with right of purchase on the same footing with regard to interest it would be a good thing; the tenures ought to be brought to the same level. It is the extra 1 per cent. in the case of the right of purchase that causes people to go in for the lease in perpetuity. Some people regard that 1 per cent. as a handicap, but they find afterwards that they have made a mistake. I believe that if the two tenures were placed on the same footing no one would go in for the lease in perpetuity. At one time it was suggested to me that I should put my land under the lease in perpetuity for the reason that I would save something in interest. My reply was that I wanted to get clear, and that I would rather pay the extra 1 per cent. and have the option of the freehold, and that is what I am doing.

2. How long have you been in that district?—For twenty-three years. My optional-purchase tenure dates from 1900. I may say I took up the land on deferred payments at first, but there being no school convenient I allowed it to be forfeited under that system. I then took it up again, and as there is now a school in the district I have no desire to leave it.

3. *Mr. Anstey.*] You think that both systems—the lease in perpetuity and the optional right—should be put on the same footing with regard to the interest?—Yes. I think that one or other might be changed.

4. Would you rather pay the additional 1 per cent. for the right of purchase than take up land on lease in perpetuity?—Yes.

5. You are holding under the right of purchase now?—Yes.

6. And you think that you have a more valuable holding than the lease in perpetuity?—Yes.

7. Do you think it would be right for the State to give a more valuable tenure at the same price as a less valuable one?—It is a matter of opinion on your part. I say that the people ought to be allowed to choose according to the value of the tenures.

8. But should they not pay more for an additional value?—Well, raise the one up to the other and bring the two to the same level. It is a matter on which there is a difference of opinion, but I hold that they should be put on the same footing. I do not see any reason why our settlers should be slaves for ever.

9. You are willing to pay the higher price for the more valuable tenure?—Yes.

10. *Mr. McCardle.*] Are you a member of the Land Board?—No.

11. Are you aware to what extent the lease in perpetuity is availed of by applicants now?—Yes.

12. Are there many persons who prefer the lease in perpetuity at 4 per cent.?—Any one I have spoken to says, "Give us the freehold."

13. At different ballots that have taken place in this district have there been many applicants for the lease in perpetuity?—I really could not say the number.

14. The experience in the Auckland District is that out of 350 applicants for land only one is for the lease in perpetuity. Does that not show that people preferred to pay the 5 per cent., and that the 1 per cent. is not enough to induce them to take the leasehold?—I am sure they would rather pay the 5 per cent. and have the freehold.

JOHN McLEAN examined.

15. *The Chairman.*] What are you, Mr. McLean?—I am a farmer at Caroline. I am a partner in about 1,800 acres of freehold, some of which is broken ridge country unfit for farming. There are 1,000 acres cultivated and 800 acres of pastoral land surface-sown.

16. How long have you been on this farm?—Twenty-one years next March.

17. Would you state what you have to say on any point in regard to the land and its administration?—In the first place, I would like to refer to the land-taxation which we have to pay. On the Caroline property our exemption from the property-tax used to be £500. Lately, on account of the lower valuation, that exemption has been reduced to £190, or a reduction of £310. I am one of the unfortunates in that I come under the graduated land-tax, and, seeing that I have a large family and am already mortgaged, I consider I am treated in a very hard way. Another thing is that I have a partner who owns practically half of the land, and if my share was divided among my grown-up sons the areas would be as small as Japanese farms.

18. Do you pay on the whole property as one?—Yes.

19. And the only escape would be by subdivision?—Yes.

20. And that is inconvenient sometimes?—Yes; it would cost a lot.

21. Then it might involve you in other troubles, I suppose?—That is so. The ship is always best under one captain. If you have two or three captains she might not arrive at her destination.

22. You have alluded to one matter to which the Commission have given some attention—grassing and surface-sowing: has it succeeded well with you?—I may go back with you for thirty-seven years, and say that both in Otago and Southland I have been in the habit of sowing spare bits of land with grass where I could not get the plough on the ground, and invariably I have found the result a great success. Any one may see the result on the broken ridges about Caroline: that is the last surface-sowing I did. There is a splendid lot of cocksfoot and clover. The land is forty-two miles north of the Invercargill Railway-station, on the Invercargill-Kingston line of railway.

23. I think your land is all less than 500 ft. above sea-level?—I dare say the highest of it is 800 ft. above sea-level—broken ridges where a plough could not work.

24. Will you give the Commission some more information about this surface-sowing?—In surface-sowing one must begin at the right time of the year, and I consider that in order to get a proper burn of the tussock and fern the early part of August is a good time. Then, one should not take too much at a time—only what can be sown down at that time. The seed must be first class and machine-dressed.

25. Cocksfoot, clovers, and anything else?—Yes. I sowed it at the rate of 1 bushel of cocksfoot, 1 bushel of first-class rye-grass, and 5 lb. of white clover per acre.

26. Poverty Bay rye?—It was perennial rye-grass.

27. *Mr. Anstey.*] At what cost?—The cocksfoot would cost at that time 5d. per pound. It was machine-dressed. The rye-grass would cost about 5s. a bushel. That was twenty years ago; and the grass is in the ground yet—not much of the rye-grass, but the cocksfoot and the clover show everywhere.

28. You paid from 10s. to 15s. per acre then for seed?—Yes. Another thing I would like to say is that immediately after the burning a tripod harrow was drawn over the ground wherever it was practicable. It is a flexible harrow, and adapts itself to the surface. The seed was sown first, and the harrow came next.

29. *The Chairman.*] You sow at the same time—about August?—Yes. I am thoroughly convinced that if that mode of sowing the runs of Southland were put in practice, and if good seed were used, the carrying-capacity of the land would be increased by at least 25 per cent. I am safe in saying that.

30. To insure that genuine seed would be supplied it might be well for the Government to distribute it—the land is their property?—At any rate, a Government official should inspect the seed.

31. Do you not think it might be better if the Government supplied it? They would get it wholesale?—If the thing were done on a large scale, as it must be to be effective, the Government could supply the seed to the tenants.

32. Inferior seed would start weeds, I suppose?—Yes. It is a well-known axiom in the two kingdoms that like produces like, and bad seed will produce bad seed.

33. Is ragwort bad in your district?—Yes, and it has been there for many years. There is a Crown bush bounding our property, and it first began there. I understand that that ragwort is to be cut at the Government's expense. The Rabbit Inspector, who is looking after these nuisances in our district, gave all of us notice to cut our weeds—it is a big order—and if every one is to clear his bush of ragwort it would be a hard task. I might say that no sheep have ever died in our district from ragwort. Whenever sheep are running in the spring-time they get good feed from it, and you see none of it in paddocks where sheep are running.

34. *Mr. McCutchan.*] Do I understand that the sheep kill the ragwort, or do they keep it from going to seed?—They eat it and thrive on it.

35. They do not eradicate it?—No. I may say it does not scour the sheep. I am referring to the plant before it comes into the yellow bloom and seed. A hungry beast would eat the bloom, and in that case I think it would be to a certain degree poisonous to the animal, but so long as the stock have access to it at the spring-time of the year—months before it comes into bloom—they thrive on it. I know that ours do, and you do not see a plant of it in the whole of the thousand acres. Outside, where there are no sheep, there is a lovely crop in full bloom.

36. Your opinion is that it produces no disease among sheep that are kept on it from year to year?—I am certain that it will not. I was brought up in a country where there were fields of it. It was growing on a commonage belonging to the crofters, and I have never known cattle to die from it.

37. *Mr. Johnston.*] Where were these experiments made in the grassing—in what country?—In Otago and Southland.

38. At what height above the sea?—Between 800 ft. and 900 ft.

39. Only that?—I have known it to be tried by others at a higher altitude—as high as 1,100 ft.

40. Did the rye hold there?—Splendidly. You will see it growing at Lumsden on a razor-back ridge of Crown property occupied by Mr. McLeod, one of the Crown tenants under the lease-in-perpetuity system. Mr. McLeod is in the Caroline district. His property bounds part of our property, but rises higher.

41. Do you know if surface-sowing has been tried in any other way than by burning and sowing?—I do not think it would be advisable to try it in any other way, except, of course, after cultivation.

42. I refer to the hilly country. Is it possible to grass it without burning it?—It is possible to grass it, but the result would not be good.

43. Have you ever seen it done?—I have done it myself on a small scale, but the result was not good, for the reason that there was no cover for the seed except for an odd one or two that would drop into the heart of a tussock, and that is not a favourable position for the seed to germinate in to perfection. The rest of the seed was practically lost, there being no cover for it.

44. You say that the ragwort started in a piece of Government bush?—Yes.

45. Near your place?—Yes, adjoining our property.

46. You are a member of the Land Board, are you?—Yes.

47. Why did not the Land Board take measures to stop the weeds on the Crown land accumulating and spreading?—I do not think the noxious weeds come under the Board's jurisdiction.

48. I think the Board has power to keep Crown lands clean?—I think it is the Stock Department that has to do with weeds.

49. Did you hear some remarks made about spelling the land to allow the native grasses to come?—Yes.

50. Do you think it would be better to spell the land or to burn and sow it?—I think that to burn and sow it and give it a year's spell would be the life of it. It would give the grass a chance to come, and then it would hold its own against the stock.

51. What about the rabbits?—The rabbits must be religiously kept down. If I allowed them to get too strong they would put me out.

52. *Mr. Paul.*] In your experience have the Land Boards sufficient discretionary power?—I am satisfied that Land Boards—at any rate, the Southland Land Board—would be much the better of having a freer hand to deal with small matters within their knowledge without referring them to the Head Office away at the other end of the country.

53. Is there any aggregation of estates going on in Southland at the present time?—I think it is the other way round. It is a cutting-up that is going on. The land is being subdivided instead of being aggregated.

54. The graduated land-tax acts as a deterrent?—It means this: If you give the taxing wedge another knock up, and more especially if a commercial reaction were to come, the Government would get all the land, because the early settlers are getting too old and the young settlers are too well-to-do to undertake the drudgery and slavery that the old people did, and consequently the Government will have to carry the burden. It is working for that.

55. The early settlers encountered and overcame great difficulties, did they not?—Yes; but in those days we used to wear moleskins and blue shirts, and a piece of flax round the hurdies.

56. *Mr. Anstey.*] Your experience of surface-sowing does not extend to very high country? How high could it be carried out profitably?—I would not be afraid to go to the snow-line in any part of Otago or Southland.

57. You think that surface-grassing could be profitably carried on up to the snow-line?—According to the superstition of our Scotch fathers—our grandfathers, as we say—a fall of snow after sowing was a blessing rather than a curse, because it kept the seed warm in the worst time of the winter months, and the result was a beautiful crop after the snow went away. The same rule applies to the grass, only it must be put in early in the spring and put in judiciously. Then, it must be good of its kind, and not too much at one time. You cannot command the labour to sow a run in a day or a week. You can only sow a little at a time if the work is to be done effectively. If a large extent of country is burnt and not sown down, the ashes will have time to blow away, and then if seed is placed on the land it will have no cover and will not germinate.

58. You speak as a freeholder. A lot of the country up to the snow-line is in the hands of Crown tenants: how do you think might grassing be encouraged among them—valuation for

grassing or supplying seed at a low cost, or any measure of that kind?—You cannot get away from the fact that in anything you do to the land you have to touch the pocket, and the pocket happens to be the tenderest spot of all. I think it would be a good thing to give the seed gratis or at a low cost. Of course, there is another way: you can compensate the tenant by giving him valuation at the end of his lease.

59. You think they might be offered first-class seed gratis or at a low cost, or offered compensation?—If I had an estate that wanted more blades of grass on it I would be willing to give the tenant the seed if I could afford it, provided he sowed it properly, so that it would germinate and grow and be a source of profit not only to the tenant, but to me.

60. *Mr. Forbes.*] You think that after a surface grass-sowing the country wants a spell?—It would be a beneficial thing. It would repay the expenditure of the reseeded to give the land a spell, and not allow rabbits or any large quantity of stock on it. A few sheep over a thousand acres would not be seen. I think such a course would be the life of the runs in Otago and Southland.

61. If it was grassed in the ordinary course and fully stocked, there would be greater loss than gain in the grassing, and a great deal of the expenditure would be thrown away?—I am sure that if you were to give the land a spell after sowing it with grass it would more than recoup you within the next five years. In a year like this it would be very advantageous to the occupier of a run to sell all his sheep at the good prices obtaining and sow the run down; but, as I have already said, he must begin early in the spring. It is a mistake to burn the tussock when it is dry at the root, because the soil would also burn. Care must be taken. When you start early in the spring you have the best conditions it is possible to get, and the best results will follow, because the soil is not too dry, and therefore the tussock only will burn and gives you ashes to cover the seed.

62. *Mr. Hall.*] Was it open tussock land you dealt with or bush land?—Both. But I am speaking particularly of the open tussock, fern, rocks, and stones.

63. Is your land similar to the general run of high land?—It is similar, only on a smaller scale.

64. The same treatment would apply to tussock land?—Yes.

65. Have you ever heard of sheep being kept to ragwort solely?—The sheep I refer to had the chance to eat part grass and part ragwort. In the spring-time the young plant of ragwort is palatable to the sheep, and they thrive on it. It never shows up at all that year in flower in any paddock where the sheep have been on it in the spring. I would not care about putting sheep into a thick field of ragwort and confining them to it, especially when it was in flower. I think there would be a danger in that.

MICHAEL O'CONNOR examined.

66. *The Chairman.*] You are from Orepuki, Mr. O'Connor?—Yes, from Te Tua.

67. Are you in occupation of land?—Yes; I have 872 acres.

68. Under what tenure?—Lease in perpetuity.

69. How long have you been there?—Twelve years.

70. Is there any particular matter you wish to bring before the Commission?—I wish to say that this lease is a great handicap to a settler. When he applies for a loan from the Government Lending Board he cannot get it. My improvements were valued at £265 three years ago, and when I applied for a loan of £70 the Board refused to give it me.

71. Did they give any reason?—That there was not sufficient improvements in hand, and yet they rate me for £265.

72. Was the £265 the local valuation or the valuation by the Government officer?—By the Government valuer. He valued locally as well.

73. Did you get the money elsewhere?—Yes; I went elsewhere and got £100 without any trouble.

74. You paid a good rate for it?—I paid the same as I would have had to pay to the Lending Board.

75. You got it at 5 per cent., did you?—I would not get it from the other office at less than 6 per cent. There is a sinking fund of 1 per cent.

76. Of course, in borrowing from a private individual there would be no sinking fund?—No. I hold that the Lending Board do the settler an injury instead of assisting him. They value him for taxes, and they will not advance him anything to help him through.

77. They do not abide by the valuation in lending money?—No.

78. Is there anything else you would like to say to the Commission?—I only wish to say that the lease in perpetuity is a bad tenure for the settler.

79. How do you think it should be modified?—For myself, I would like the freehold. It is all very well for town agitators to talk about the leasehold, but when you have to go miles into the back blocks without a track one expects something better, especially when the lands are loaded for roading.

80. You are near the Waiiau?—Yes. My place is about a mile off the road, or about two miles and a half from Mr. Armstrong's.

81. It is mostly bush?—All bush.

82. Have you much cleared?—About 200 acres.

83. *Mr. McCutchan.*] At the time you applied for the loan I suppose the valuer visited your place?—Yes.

84. Did you pay a procuration fee?—Yes.

85. That is a charge you would not have to pay under the Advances to Settlers Department?—No.

86. *Mr. Paul.*] You believe the freehold is the best?—Yes.

87. Has that opinion been formed on account of your experience with the Advances to Settlers Department?—It has.

88. If the conditions surrounding the lease in perpetuity were less exacting do you think it would be a good form of tenure?—Yes. The agent of the Lending Board (Mr. Carswell) and others admit that the tenure is a bad one, because the Government set no value on it. It is so flexible that a tenant can change it at any time, and the Board will not give an advance on it as they will on other tenures.

89. What was the nature of your improvements?—A dwelling, bushfelling, fencing, and other improvements—the usual bush improvements.

90. *Mr. McLennan.*] What rent do you pay for the ground?—About 7d. an acre.

91. Do you keep cattle or sheep?—Dairy cattle.

92. When the ground is cleared, how many acres are required to keep a cow?—If it is thoroughly cleared it would take about 2 acres to keep a cow all the year round.

93. If it was cleared and grassed?—Yes, and well picked out. It would cost about £3 10s. or £4 per acre to do that.

94. It would cost that amount to clear it and grass it?—Yes. It would cost £1 10s. an acre for clearing, £1 an acre for grassing, and £1 an acre for picking it up.

95. *Mr. Anstey.*] Do you prefer the freehold?—Yes.

96. The freehold purchasing price of your land is 15s. an acre, and your rent is 7d. an acre?—Yes.

97. Why did you not take up the freehold?—I understood the lease in perpetuity was the best.

98. Would a number of settlers be in a position to take up the freehold?—I believe that, at any rate, many would be inclined to take up the land with a right of purchase; it is the general wish among them.

99. Under the occupation with right of purchase the rate of interest is 5 per cent., and under the lease in perpetuity it is 4 per cent.?—Yes. The lower rate of interest is an inducement.

100. Would you rather have the occupation with right of purchase at 5 per cent., or the lease in perpetuity at 4 per cent.?—I would rather have the occupation with the right of purchase at 6 per cent. If I want to sell out under the present tenure I cannot do so. If anything befalls me now and I go a little back I cannot get a purchaser. My interest in the place is almost valueless.

101. *Mr. McCardle.*] You are under the impression that it is much better for a man to have the lease with right of purchase at 5 per cent. than the lease in perpetuity at 4 per cent.?—Yes.

102. Is it more advantageous to a working-man, do you think, to have the right of purchase?—Yes.

103. *Mr. Hall.*] Your objection to the tenure is the difficulty of getting a loan?—Yes, or disposing of it to any advantage.

104. But in other respects it is all right?—Yes. Of course, you have not the same interest to pay as under the occupation with right to purchase. Many a man is led away by the 1 per cent. of difference between the two tenures.

JAMES ROBERTSON THOMSON examined.

105. *The Chairman.*] Where do you come from, Mr. Thomson?—I am a settler at Greenvale, Half-moon Bay. I have 23 acres of freehold at the bay, including the accommodation-house at Oban. I have 408 acres on lease (Sections 145, 146, 147, and 150) with a right to purchase from the Government.

106. The land is mostly under bush?—Yes, excepting what I have cleared.

107. Does it take grass well?—Yes.

108. Surface-sown?—Yes, but you must burn first.

109. We would like to know what particular part of the land-administration you wish to speak to the Commission about?—What I would like to bring before the Commission is this: Since I have been on the island my view has been that the prosperity of the place depends on settlement. We want people, and in order to get people concessions must be given to them to take up land, seeing that the conditions for them are not so good as they are alongside of a railway. The general belief, and it is my own belief, is that it was a mistake to institute the lease in perpetuity for the optional system. The optional system worked very well in Stewart Island. It is a system that would suit every person. One could buy a cash section or take up either a lease with the right of purchase or a lease in perpetuity.

110. You would like the lease in perpetuity to have the right of purchase?—Yes. I am sure that settlement has been retarded since the lease-in-perpetuity system was brought into force. Another thing is this: sawmillers are the best people to go through bush land, because the facilities for working sawmill timber are better now than when I was milling twenty years ago. To-day they have the hauling-engines, and with them they make a thorough job of it. I inspected some of the work they have been doing lately on a private section in Stewart Island. If the bush had been worked in the same way twenty years ago, and up to the time the haulers commenced, there is no doubt that to-day there would be plenty of men settled on bush land for every one man we find settled there now. Another thing that has prevented settlement is that Stewart Island has been declared a goldfields district. I have been connected with gold-mining on the island as well as the tin-mining at Pegasus—I prospected a good deal of the land and discovered tin at Pegasus—and I say that in the interests of the settlement of the island there need be no restrictions as far as the goldfields are concerned, because the auriferous land is not payable.

111. You get the colour sometimes?—Yes.

112. The tin is in another place?—Yes; at Pegasus. My remarks refer to the blocks of land at Paterson's Inlet. Many people have the idea that the island should be closed entirely for scenic purposes, but I think that would be a great mistake. There is an ample reserve made in the island now for scenic purposes. The last map I saw of the island showed that there were 260,000 acres of it reserved for scenic purposes.

113. The 260,000 acres, Mr. Hay has informed us, are reserved for a sanctuary for birds: in other words, nobody would be allowed to destroy it?—I think that is quite enough. Settlement is what we want on the island, together with facilities for it. Most of the people will want the right of purchase. I find that where the people are thrifty they want to have the right to call a bit of land their own. It is a desire that is born in the English people, and it is strong in me too; I am a Scotsman. If we had a larger population no doubt we would have better facilities for people going to and from the island.

114. What about the young men in Stewart Island: do they stay there?—Yes, most of them.

115. They do not come to the mainland?—No.

116. They will be wanting land?—Yes, but they would not take up the lease in perpetuity.

117. Are there not some fishermen resident there?—Yes, a good many.

118. So that what would suit the island would be a population partly fishermen and partly farmers?—Yes.

119. They would not want large areas?—No; it would be a mistake to give large areas.

120. How much would be a suitable area for that class of population?—25 or 30 acres, or perhaps 50 acres, according to the quality of the land. Further back sections could be larger.

121. I do not suppose there would be a large expenditure on roads; it is mostly water communication around the coast-line?—They are getting votes to push roads ahead, but I am sorry to say there is a lot of money being spent in places where roads are not much required. The money is scattered over too wide a field. If the work was concentrated and the money spent where people are living it would be spent to more advantage.

122. Do you mean dray-roads?—I mean foot-tracks. There is only one main road, leading from the jetty, but I refer to the foot-tracks.

123. Bridle-tracks are also necessary?—Yes; those are the tracks I refer to.

124. Your population is pretty stationary?—I think it is increasing.

125. Are there any sawmillers?—Yes; there are three working just now. Two of them are working on private land in bush that has been worked before, but they are taking as much timber out now with the hauler as was taken out before without it.

126. *Mr. McCutchan.*] You favour the fullest option in taking up land under the Act of 1892?—Yes.

127. I understood you to say that the young men of Stewart Island do not favour the lease-in-perpetuity tenure?—So far as I know, no one there favours that tenure.

128. What are the chief objections to it?—From one or two I have heard statements similar to the evidence you have already heard. One man named Nelson, at Horseshoe Bay, informed me that he was valued high for rating purposes. He wanted to get a loan to do fencing, and the man who came to value his land and improvements valued them at less than half of the value for rating purposes, and consequently he could not get enough money from the Advances to Settlers Office to fence his ground. He had to do the work at his own expense.

129. Upon what conditions should Crown tenants be allowed to convert a lease in perpetuity into a lease with the right of purchase?—I do not know what would be the best way to do it, but I think there should be some provision to allow a settler who is making improvements to occupy his land with the right to purchase.

130. Would you give that right on the settler paying the 1-per-cent. difference between the 4 per cent. and the 5 per cent.?—I think that would be fair.

131. In other words, the State has no claim to any increased value in the land beyond that 1 per cent.—you think it belongs to the settler?—Yes, I think so. No one but the person who has to do the work knows what a difficult matter it is to carve a place out of the bush.

132. *Mr. Johnston.*] How long have you been at Stewart Island?—For twenty-seven years.

133. You have been a freeholder all the time?—I applied for a section when I first went to the island.

134. You were a man of means when you went there at first?—I had half a crown in my pocket.

135. If the perpetual lease had been in vogue then would you have taken up land under it?—I would have preferred the occupation with right of purchase, but if the perpetual lease had been the only one available I would have taken it.

136. Supposing there was the right to purchase, and the perpetual lease, and you had only a capital of half a crown, which would have been the most advantageous for you?—I would have taken up the occupation with right of purchase.

137. You would not have seen your way to meet the payments, would you?—I took up 22 acres, and I think I could have managed it.

138. Without any capital at all?—I was making wages. I started to work at once.

139. You would have improved your land at the same time?—Yes; I used to work in the mill by day, and on my land at night when other people were asleep.

140. Do you think the lease in perpetuity has assisted to put men on the land?—Not there.

141. But, generally, do you think it has assisted to put men on the land?—I think there would be more people on the land to-day if they had had the optional system. Several people have been inquiring for land to purchase, and I have to tell them there is only the lease in perpetuity, and the consequence is that they do not prosecute their inquiries further.

142. They would not take it up under the lease in perpetuity?—No, I do not think so.



143. Do you think that the 999-years lease is nearly as good as a freehold?—Well, if a man goes to the trouble of making improvements on his own place he can realise on them better than if he held the land under a Government lease.

144. If it was freehold and not lease in perpetuity you would make more money out of it?—Yes.

145. It is a matter of the unearned increment?—I think that the man who takes up bush land deserves all the unearned increment.

146. What pays the pocket best is at the bottom of it?—Yes; and, as wise people, so long as we are not doing a wrong to other people I think we ought to make the best of it.

147. What is the cost of bushfelling there?—Up to £1 10s. an acre.

148. Is it heavy bush?—Some of it is pretty heavy bush.

149. What does the grassing cost?—£1 10s. an acre.

150. What mixture would you put on?—Cocksfoot and clover.

151. Did you say £1 10s. an acre for grassing?—Yes, but I think now that £1 10s. an acre is too much. First-class Canterbury cocksfoot is 6d. per pound. Clover, alsike, and ryegrass are also put on.

152. What would it amount to if not £1 10s.?—I have not calculated it.

153. If you sowed down 20 acres, what would be the account for grass?—I sowed my land piecemeal. I sowed five pounds' worth of grass-seed on less than 5 acres, I think. That was on my freehold section.

154. Do you think it would be advisable for the Commission to see Stewart Island?—I think it would be a wise step. I do indeed. I think you would get a better idea of the island if you were on the ground yourselves. You could look at the land which is open at Half-moon Bay, and at the land that is leased. You could also see the land that is not settled upon, and see its value and how the grass takes.

155. You have 400 acres?—Yes.

156. How much of it is cleared?—None of it is altogether cleared. None of it is stumped.

157. You have so-much felled and in grass?—About 20 acres are grass-sown, but it is not well-cleared land.

158. Is it good land for grazing?—Yes.

159. How long have you had it?—About three years.

160. That is all you have put in grass?—Yes, but I have also done fencing.

161. What stock do you carry?—I have about fifty head of cattle.

162. In the bush and on the grass?—Yes.

163. *Mr. Paul.*] Do you think the homestead system could be applied to Stewart Island?—I believe it would do very well there.

164. Would you apply it to the coast-line?—Yes, to the best land in the island. I think it could be applied with good effect as long as the areas were not large, so that as many people as possible could go on the land.

165. You think it would be beneficial if Stewart Island were settled?—I do.

166. With reference to your statement about a desire being born in every Englishman for the freehold, do you really think it is so?—Yes.

167. Do you know that there is not enough land to go round to gratify that desire?—That might be, but if you leased large blocks of land in perpetuity you could not make more land by doing so. The people who took up that land would be in the same fix that way.

168. But what would happen if the lease in perpetuity were abolished? We know that many who have a desire to reside on the land have had that wish gratified through the colony's liberal land laws?—I suppose that is so. I could not speak for the country generally, but only for the island.

169. For instance, had there been no leasehold tenures there would not be nearly the number of settlers on the land that there is at the present time?—I do not suppose there would be. I think the lease is a grand thing with the right of purchase.

170. Regarding the lease in perpetuity, you say it is not a good system?—I do not care about it at all, but, as I have said before, if there were no other system I would take a piece of land under it, but with not such good grace as if I knew the land was to be my own some day.

171. Is your opinion widely held?—Yes, on the island.

172. Has the value of the leases under the lease-in-perpetuity tenure increased?—I could not say. I am not sufficiently posted up to say that.

173. *Mr. McLennan.*] In the event of the lease-in-perpetuity tenants being granted the option of purchase, would you favour the holdings being revalued and the present tenants getting full compensation for their improvements and the land being put up to auction?—I think that would be fair. If the tenant got full value for his improvements there would be nothing to complain about.

174. Do you think the rest of the community should have the same privilege as the present holders in competing at auction for various properties as long as the holder has got full value?—I am not sure about the auction. I think the ballot is better than the auction.

175. Most of the lease-in-perpetuity ground has been balloted for: do you not think that auction would be better?—I am of opinion that the ballot works well, because it does away with the temptation to run up the price. Many people pay a higher price under the auction than they are really able to pay.

176. The Government would get the benefit?—Yes, but if the tenant cannot hold on it might be a loss. If a man takes up land at more than he can pay he is always poor, and the land is overgrown with weeds. The Government may get the benefit in the first case, but if the land is not attended to they get the worst of it in the end.



177. The men who would get the land by auction would have the freehold?—Yes, but they would have to pay a higher price than at the ballot.

178. Are there many Crown tenants in Stewart Island?—A good many.

179. On small or large holdings?—Chiefly small holdings.

180. Have they been settled there for any length of time?—Only one or two have been settled for ten years. The rest are later than that—three, four, and five years.

181. Fishermen and sawmillers?—Yes, chiefly.

182. *Mr. Anstey.*] Is the bulk of the land in Stewart Island almost valueless?—The mountainous parts are poor.

183. What about the land round the coast?—It is as good as any land on the mainland when cleared.

184. You say you think the homestead system could be applied to all the land: do you say that the good land should be given away on the homestead system?—Of course, there are restrictions, but I think it would pay the Government to give the land and so encourage settlement.

185. The land on the coast is worth something?—I think it would compare favourably with any bush land in Southland.

186. And yet you think the Government ought to give it away for settlement?—I think they ought to give it away to encourage formation of homesteads. Although the land is good there are advantages on the mainland in the way of railways, and so on, that we have not got on Stewart Island.

187. *Mr. Matheson.*] You were asked a question about the increment: do you think that in an out-of-the-way place like Stewart Island there is any increment that has not been well earned?—I think it has been well earned.

188. *Mr. McCardle.*] You prefer the occupation with right of purchase to the lease in perpetuity?—Yes.

189. You believe it meets the poorer settlers' case better than the perpetual lease?—Yes.

190. The circumstances surrounding the lease in perpetuity hamper a man from getting the necessary capital to open his land?—Yes.

191. Do you think the reason for the dislike to the perpetual lease arises from the surroundings of the lease and not from the principles of it?—I do not know. I could not say about that, but I know that most men who have tried to get money on it find that they do not meet with favour from the money-lenders.

192. Supposing the Government were to amend the Advances to Settlers Act and provide for the Government valuing the improvements and advancing three-fifths of the tenants' interest, instead of one-half as at present, would the lease in perpetuity not be equal to a freehold?—I would still believe in making the place my own.

193. Do you think that if you converted your perpetual lease into an occupation-with-right-of-purchase lease and the 1 per cent. was added to the value it would be fair compensation to the Government for the change of tenure?—I think so.

194. You do not propose to pay off the land right away?—Very few settlers could.

195. Would you propose to take the land under the occupation-with-right-of-purchase lease on the same terms as under the lease in perpetuity?—Yes.

196. *Mr. Hall.*] You advocate the opening-up of Stewart Island for settlement?—Yes.

197. The land round the coast is good land, is it not?—Yes.

198. Is it suitable for mixed farms?—Yes.

199. The interior is inferior land?—Some of it. There is a lease in the interior of 14,500 acres, and another of 3,000 acres. That is all flat country.

200. That is second-class land?—Yes.

201. Does it take the grass well?—Yes, but it wants to be burned.

202. Is it chiefly timber land?—No; it is mostly open with scrub.

203. Is it well watered?—Yes.

204. In clearing the land in the interior, is it likely that the fire would get into the bush that is reserved for scenic purposes?—No, I do not think so.

205. *Mr. Johnston.*] You said that you would like the lease in perpetuity made optional so that the holder could purchase at any time?—Yes.

206. I suppose what you mean is that if the land paid you would purchase, and if not you would leave it alone?—No, I did not mean that. If I take up a section I want to carry it through and make a home of it. It is not that I want to go there to suit my own purposes and then throw the thing up. I want to make a home of it.

207. You must have finality at some time?—Exactly. I think, myself, that if it could be converted the Government should get 1 per cent. more and give the right to purchase.

208. And when the principal is paid it becomes a freehold?—Yes.

#### JOHN MURCHLAND examined.

209. *The Chairman.*] What are you, Mr. Murchland?—I am a farmer near Garston, in the Nokomai district.

210. How much land have you got?—About 1,366 acres.

211. Is it leasehold?—Yes, under the Government.

212. Under what tenure?—999 years—lease in perpetuity.

213. How long have you had it?—I have had the original area of 200 acres since 1887.

214. What tenure is that on?—It was on perpetual lease at first, but I changed it afterwards.

215. It is all under the lease in perpetuity now?—Yes.

216. Is it mostly grazing land?—There are 200 acres of agricultural land, 100 acres on which I can grow crop, and the rest is hilly. I graze sheep on it. I am perfectly satisfied with the

tenure I have got. I have made money out of my freehold land, and have invested it in a Government lease of 1,168 acres.

217. You are getting on well?—Yes; but I may add that I have not got a buggy. I advised a neighbour to change his tenure into a perpetual lease, but he would not take my advice: he wanted the freehold. The consequence is that he is now looking after the freehold until some one comes along to buy it. I know a number of instances of persons who have gone in for the freehold, and the result is that the people in "Crescent" have got possession of the property. The properties have been mortgaged to loan companies. There is no mortgage on my place, and I have never asked the Government for a shilling.

218. *Mr. McCutchan.*] You had the right to convert the 200 acres into the freehold?—Yes. I had the money to acquire a freehold, but I invested it in a Crown leasehold. I took up 1,160 acres of leasehold land from the Crown.

219. Was the new area bush country or open country?—Open country.

220. *Mr. Johnston.*] Is it rough country?—Not very rough.

221. How many sheep will it carry?—About seven or eight hundred, by feeding in the winter and growing turnips.

222. Have you any cattle?—No.

223. You make your living out of seven hundred sheep?—I make my living in many ways—knocking over rabbits, and in one way and another.

224. You make your living out of the land?—Yes; but a man on the land has to pick up a pound in other ways if he is able to do so.

225. *Mr. Paul.*] You are perfectly satisfied with the lease in perpetuity?—Perfectly satisfied. I would not part with it. I am sixty-eight years of age, and it will be a home for me and for my children after me as long as they pay the rent.

226. *The Chairman.*] What is the rent?—With the concession the Government gave lately, it is £16 9s. per year, or 2½d. per acre.

227. *Mr. Paul.*] You do not want the option of the freehold?—No. If Mr. Seddon said to me, "Here, Jack, you can have the freehold," I would not take it.

228. You think it would be against the interests of the settlers to have the option of the freehold?—There is no option in it. If a man gets the freehold he gets a monkey on the land.

229. *Mr. McLennan.*] Do you think that if settlers had the option of the freehold a good many of them would mortgage their properties?—There would be more chance of it. There are a good many people in my district who are watching properties until somebody comes along and buys them.

230. *The Chairman.*] You think if they had the option of the freehold it would put temptation in their way to borrow?—I am certain of it. There is a great danger of it.

231. *Mr. Anstey.*] Do you think that to a man of small means the lease in perpetuity is safer to build a home on than to take up a freehold?—Yes, I think so at a low capital value.

232. *Mr. Hall.*] You think 999 years is long enough for you?—Yes, quite long enough, and also for my children. I would like to make one or two suggestions: You will have observed there have been some losses made on sheep in the high country. Some pastoral tenants did not want compensation exactly, but they wanted a reduction in rent and long leases of about twenty-one years. In my opinion, that would be opposed to the best interests of the country to give these pastoral tenants leases of twenty-one years. My reason is this: Where I live we are bounded by six large stations, and I would suggest to the Commission that when those leases fall in they should be cut up into sections of 5,000 or 10,000 acres, as the Government may determine. The runs should be made into smaller areas. Then, as to the valuation of land, I think that land-valuers should go on to every section and ascertain what each section produces, and not simply go into a publichouse or meet some one on the street and ask, "What does that man sell his land for." There are no two sections alike. There is another thing which has caused a good deal of dissatisfaction amongst the Crown tenants, and that is the city members. I read *Hansard*—Sir Joseph Ward sends me a copy—and I take a great deal of interest in what is done in Parliament, and like to see how the country is governed. I think that revaluation of existing leaseholds is wrong in principle. I think land legislation should be final, and if a man takes up land on lease and makes a mistake he ought to surrender.

233. *Mr. McCardle.*] But you would not object to the land being revalued if the rent were lowered?—I think it is wrong in principle. I think it is fair when they increase the original capital value for taxation purposes the tenant should have some interest in it.

OREPUKI, FRIDAY, 24TH FEBRUARY, 1905.

JAMES MENPES examined.

1. *The Chairman.*] What are you, Mr. Menpes?—I am a farmer, and have 150 acres of freehold and 140 acres under occupation license, and have been here in that position about twelve years.

2. What evidence do you wish to give to the Commission?—I think the lease in perpetuity is the most suitable for these occupation licenses. Twenty-one years is useless, because in that time a man cannot make a good farm out of virgin bush. He spends the best part of his life on the land, and unless he has a very large pocket it is very hard for him to have his rent raised when he is less able to work the farm. I think the residential conditions are too strict. The majority of the holders of occupation licenses are unable to comply with them. Most of those persons had either residence-areas or small pieces of freehold on which their homes were built before it became necessary for them to take up an occupation license. I say "necessary" because the commonage was done away with, gold was getting scarce, and we had to live. Non-residence

could be made to improve so-much each year. In regard to the price of land, I think that heavy bush should not be more than 6d. per acre. It takes £2 to fell it, 15s. for grass, say £1 for fencing, clearing lines, sowing grass, &c., £4 for stumping, an extra 10s. on first ploughing, and another 10s. for loss through big trees—making £8 15s., besides the miner's right. We should be entitled to compensation for all miners' rights, such as claims, races, &c., excepting existing ones, more especially where grass land is taken up, because the miner reaps the benefit of our labour when he cuts a race through a grass paddock instead of through a bush. Shafts should be filled in when abandoned. As regards the freehold, I think any one who has tried to make a living off a bush farm for any length of time is not likely to be able to buy it if he had the chance, and I would rather pay rent than interest on a mortgage. If the Government could afford to give us the land for nothing it might be right enough, but otherwise I think a perpetual lease is as good as anything. In about eight years I lost five milkers (two two-year-olds), one foal, and had ten sheep driven into races by dogs. Noxious weeds are also a source of trouble to the bush farmer.

3. *Mr. Johnston.*] How far is your farm from the township?—About a mile and a half.

4. What do you carry on with principally?—Cattle, sheep, and horses.

5. How many acres does it take to run a cow for a year?—I could hardly tell that: perhaps a beast to the acre.

6. That is by feeding for how many months in the winter?—Six months.

7. You are satisfied with the lease in perpetuity?—Yes.

8. *Mr. Paul.*] Do the miners always construct their tail-races through the least valuable property?—No; they take them through the most suitable places for themselves.

9. And if they ran a tail-race through your property you would get no compensation?—No. Some people say that, according to the Act, we are entitled to £1 per acre for the ground they take.

10. You think you should be compensated?—Yes, according to the improvements we have put on the land. The miner gains by it, but it costs just as much to clear the bush off the land.

11. It would cost less through your improved land than through the bush?—Yes.

12. *Mr. McCardle.*] What do you think you ought to receive as compensation for clearing?—If the land was stumped I think we ought to be entitled to £8 15s. per acre. That is what it has actually cost us.

13. *Mr. McCutchan.*] What is the upset price of your land?—I do not know. We have to pay 1s. an acre rent, and we get a ten-years lease.

14. If you got a perpetual lease you would expect to get it at a capital value of £1 per acre?—Yes.

15. You estimate the cost of bringing the land into cultivation is £8 10s. or £8 15s. an acre?—Yes.

16. Would not you prefer the right-of-purchase tenure by paying 1 per cent. extra, supposing there was an alteration in the law and you could get the right of purchase?—I would be quite satisfied with the lease in perpetuity.

17. *Mr. Anstey.*] Is there much of your land held under occupation license already cleared?—Yes, there is a good bit. At least 140 acres; and there is about 70 acres of it ploughed, and the rest is in grass, with the bush cleared off it all.

18. At the present moment you have land which has cost you £7 an acre for which you have no title?—Yes.

19. Have you the option of renewal at the end of the twenty-one years?—I believe there was the option of renewal, but the rent was raised and the land was valued according to the value at the end of the lease.

20. Were you entitled to compensation for improvements?—I could not say. A man had either to give up his place or pay a higher rent.

21. You spoke of the residential conditions being too strict. I presume you have erected a house. What are the residential conditions you object to on the other land?—I had my home on the freehold before I took up the other land. I had to clear a track in order to get a horse into it, and I do not think it would be fair to compel me to shift my home off that land.

22. You wish the two places to be treated as one home?—Yes. If a man takes up 100 acres I would suggest that you should make him spend so-much a year on it, so that he should not treat it as a mere speculation. If I were compelled to live on the other part of the property I would have to give it up.

23. Is 10s. the cost of the first ploughing?—The extra cost. I might state that I put my place up for sale at one time. There was about two hundred and fifty pound's worth of buildings on it. I put the whole lot up; and there were 16 acres of freehold and about 20 acres of good crops, and I was offered £500 for the lot.

24. *The Chairman.*] What value did you put on the 15 acres with the house?—£400; and I was offered about £100 for my interest in the rest.

25. How much of it had you cleared and stumped and in grass?—It was all in grass. The 140 acres was all fenced and about 50 acres was ploughed.

26. Then, it is quite evident in the district that the occupation license is not a very good investment?—That is so.

27. The whole thing is subordinated to the mining interests?—Yes.

28. When you took up the land you knew that?—Yes.

28A. You have made a home, you desire to remain there, and you wish to change your occupation license for a lease in perpetuity?—Yes.

29. You would be always subject to the mining?—Yes.

30. It is just a question whether the Government would subordinate mining interests more than they have and give you a better tenure?—I do not know.

31. You represent the agricultural side, and we will also hear the mining side represented?—Yes.

32. *Mr. Matheson.*] What acreage was taken for roads through your property?—I should say about 6 acres.

33. Is that fenced off?—Part of it.

34. Did you fence off at your own expense?—Yes.

35. Do you know that according to the Act there was no privilege to take the roads without compensation?—I understand that is so.

WILLIAM BROWN examined.

36. *The Chairman.*] What is your occupation, Mr. Brown?—I am a farmer, and have an occupation license and hold an area of 100 acres. I agree with every word that Mr. Menpes has said. Under the lease in perpetuity the privileges of the miner would be just the same as they are now, and the lease in perpetuity would suit my case. I have been an agitator for this change taking place for the last five or six years—that is, on the goldfields. I would certainly prefer the freehold, but I know that on goldfields that is impracticable. We need gold as well as we need wheat, clover, or anything else.

37. Is valuable agricultural land still being swept away, as was the case some years ago?—Yes.

38. Is it rich land?—Some of the men are doing well, whilst others are just making a living.

39. Would there be any way of dealing with this land for mining other than by sluicing?—Driving would be much preferable as regards the saving of the land.

40. *Mr. McCardle.*] You said that outside the goldfields you would prefer the freehold?—Yes.

41. Do you refer to the lease with the right of purchase?—Yes.

42. *Mr. McCutchan.*] You prefer the lease-in-perpetuity tenure under present conditions?—I think that would suit us.

43. Would you be satisfied with that tenure if it were subject to revaluation, say, every twenty-one years?—I have battled along for over forty years in this colony and I think there should be fixity of rent.

44. *The Chairman.*] You believe in the tenure as it exists now by law?—Yes.

45. In the 999-years lease and the price fixed to remain practically the same for ever?—Yes. I would like to leave the property to any one remaining behind me.

46. *Mr. Anstey.*] Regarding races being cut through the land, there is one case, to my knowledge, where an extra 5s. would have taken a head-race along a boundary and an open fence, and instead of doing that the mining-people cut about a chain and a half through the paddock?—I would like the digger to notify his intention to the lessee, and let them come to an amicable arrangement if possible; and if there was any obstacle, and they could not agree, then let the Commissioner of Crown Lands decide, and let his decision be final.

47. I suppose the race has to follow the levels?—Yes.

48. *Mr. Forbes.*] You have never received any compensation for these races?—No.

49. You have had them cut through your property?—There are two through my property, and they were taken through the maiden bush almost.

50. Why do you prefer the freehold to the lease in perpetuity?—I think it gives a man a feeling that he has a greater stake in the country.

51. Do you not think that in the case of the freehold there is a possibility of a man selling out to his neighbour? Do you think that the freehold would assist in settling people on the land better than the lease in perpetuity?—Until six months ago it was my firm conviction that the lease in perpetuity was far the best, but a difficulty that I see is in regard to the cropping regulations. We will have an army of Government officials superintending a man's farming operations. Under the freehold the farmer is free from that, and therefore he has greater heart to look after the land.

52. *Mr. Matheson.*] You think, practically, that the freeholder will make a better citizen?—Undoubtedly he will.

WILLIAM WATSON examined.

53. *The Chairman.*] What are you, Mr. Watson?—I am a miner, and have been engaged in mining at Pahi for about five years. I am the holder of a temporary grazing license, the area of the land being something over 200 acres. It is an old sawmill-area. I took it up about ten years ago, and have spent about £200 on it. I built a three-roomed house on it, and, in addition, I built the place on a small adjoining section held under lease in perpetuity. My wife holds that section. I have spent £400 on that. Of course, it is too small by itself. At the time I took up the land the New Zealand Pine Company held a prior right to the timber. I thought the bush would be cut off within a reasonable time, but it has just been completed now. In taking off the bush they have not respected my fences, and they have dug wells to get water for hauling-engines, and through that I have lost a lot of cattle. Before I can go on further I will have to refence. If I could get the lease-in-perpetuity tenure I would be able to do so, but I cannot under the present conditions.

54. Is mining at all active where you are?—No; there are only five or six parties.

55. Are there any races through your property?—No; it is State forest land.

56. It would be purely a matter for the Minister of Lands to decide whether this land should be dealt with under the lease in perpetuity?—Yes; but I would prefer a freehold if I could get it.

57. I see no difficulty why you should not get a lease in perpetuity, which is a very good title?—Yes.

58. Of course, it would be subject to the goldfields regulations?—Yes.

59. *Mr. Johnston.*] Are you sluicing?—No; driving.

60. Do you think, in respect to sluicing, that the end justifies the means?—Where there is only a living-wage I do not think the ground should be sluiced.

61. Generally speaking, do you think the return of gold justifies the amount of land that is wasted?—I could not answer that with regard to Orepuki.

62. *Mr. McLennan.*] What is your objection to the lease in perpetuity?—I think the people take a better interest in the land when they have the freehold and look upon it as their own.

63. You would think a man would take a great interest if he had a 999-years lease?—I think the coming generation will be better able to pay than those who are on the land at present.

64. Do you not think there is tendency to borrow money, and then possibly lose the property altogether?—Yes, there may be; but I do not think that people who want to permanently settle on the land will be inclined to mortgage it.

65. *Mr. Forbes.*] You think it is better to have a lease in perpetuity at 4 per cent. than occupation with right of purchase at 5 per cent.?—Yes; but a great number of people cannot afford to buy out these places even at 4 per cent.

66. Do you think a man is far more independent on a lease-in-perpetuity section on which he has enough to pay the rent than with a freehold with a big mortgage on it?—He is foolish to get a big mortgage on it.

67. Possibly you know that a great number of freeholds are mortgaged up to the hilt, and the idea of the Government in bringing in the lease in perpetuity was to put men on the land in an independent position?—I do not approve of people mortgaging their land.

68. Do you not think it is better, in the interests of settlement, to have the lease in perpetuity than to allow the freehold to be sold and the settler to go back to the Crown again?—I think he should have the option. It has its drawbacks, certainly; but personally I would like the option of the freehold.

69. *Mr. McCardle.*] The cost of your improvements for stumping and ploughing was from £8 to £10?—Yes.

70. Then, your interest would be between £8 and £10, and the Government interest would be about £1?—Yes.

WILLIAM BROWNRIDGE examined.

71. *The Chairman.*] What are you, Mr. Brownridge?—I have 100 acres under occupation license, and have had it for twelve years.

72. Have you improved it much?—Yes, and I am living on it now. I have spent over £600 on the section. The land is all cleared except 5 or 6 acres, and it is in grass; 20 acres have been stumped. I wish to get the tenure altered to the lease in perpetuity, so as to be able to hold more land and to get a better tenure. One hundred acres is not enough for a man to make a living on. My place is about three miles and a half from Orepuki, near the Waiiau Road.

73. You have heard the evidence given by the other witnesses?—Yes; and I agree with Mr. Menpes's statements.

74. *Mr. Johnston.*] You wish to acquire more land?—Yes; and therefore desire the lease in perpetuity.

75. *Mr. McCardle.*] You do not wish the freehold?—I would like the freehold if there was any chance of getting it, but I am satisfied with the lease in perpetuity.

76. What stock do you carry on your place?—Sixty or seventy beasts.

77. *Mr. McCutchan.*] When you say a 999-years lease you mean that the rent continues without alteration?—Yes; no revaluation.

78. Supposing an Act was passed enabling you to get the freehold, would you be agreeable to it being revalued and put up to auction, the improvements being conserved to yourself?—Yes.

79. *Mr. Anstey.*] You say you want to take up more land: is there any Crown land convenient to your holding?—I could buy land from a neighbour. No one can make a living off 100 acres.

CARL OTTO REICHEL examined.

80. *The Chairman.*] What are you?—I am a gold-miner, and have been one practically all my lifetime in this district.

81. Are you sluicing?—Yes.

82. How much land have you allotted to you for sluicing?—Myself and my partner have an acre each.

83. You have a water-race?—I have half a share in a water-race. I may say that the miners were here long before the farmers. The water-right that I possess was granted about thirty-eight years ago, and the race has been in constant use ever since.

84. Does the race traverse some properties?—No; it does not come down to the land that has been taken up. It does not run through a single dairy farm or residence-area. It is good agricultural land, all the same; but it has been worked through by the sawmills.

85. What is the depth of the sluicing?—It varies from a few feet upwards, and is at present 12 ft. or 15 ft.

86. You would not drive there, I suppose?—Some of the land on the flat is just as well adapted to driving as sluicing, but ours is not.

87. *Mr. Johnston.*] Do you think the amount of gold that has been got justifies the loss of the land?—It depends on the value of the land.

88. The evidence shows that the land is worth from £6 to £8 an acre: do you get more than that out of the land on the capital value?—Yes, a long way more than that.

89. Yes, but on the capital value taken over a number of years?—I could not say that.

90. Roughly speaking, a miner would get £100 for every acre of land that is sluiced?—I should say far more.

91. How long does it take to sluice an acre?—It depends on the character of the country.

92. Is there any of the land that is being washed away that could have been driven?—I should say that most of it could be driven.

93. Sluicing is much cheaper than driving?—Yes. There is a certain amount of expense in timber for driving.

94. *Mr. Paul.*] Do the miners study the settlers much in taking their races through the land?—If the settler says nothing the digger just puts his race through. As a rule, he does not study the man who holds an occupation license: he studies his own convenience, just as the farmer does.

95. *Mr. Anstey.*] What becomes of the *débris* from these sluice-channels?—In the early days, when there was no main channel and the country was swampy, it was deposited all over the country. Then a main channel was constructed and the *débris* goes right through to the sea. Some gold travels with it, and the sea brings it back to the beach again. There are some good claims on the beach.

96. But the soil goes to the sea?—Yes.

97. *Mr. Forbes.*] Looking at it from a miner's point of view, have you anything to say in regard to granting the lease in perpetuity to people holding occupation licenses?—When the dairy farms were first granted it was understood that the miners had a right to cut races through them, but as time went on the tenure was made a bit stronger. Previously there was no compensation for dairy farms at all. Now, I understand, they are entitled to compensation to the extent of £1 per acre. Well, for a working-miner £1 per acre is not much, but if a miner prospecting for gold had to pay £1 every time he made a cut in the land it would be a very serious matter. Sometimes the miner shifts about a lot prospecting with water and putting a cut in here and a bit of a cut in somewhere else. It would be a serious matter if he had to pay £1 for every cut. Otherwise £1 would not be much. I do not think the majority of miners round about here would like the title of the farmer to be made any stronger. The miners of Orepuki do not want to do anything to injure the farmers' rights, but they would not like anything done to make mining privileges lower in price. Water-races have cost hundreds of pounds, and the persons who bought them naturally have a right to expect that the goldfields will be kept open. If the title of the land is made stronger the value of the water-rights will be depreciated.

97A. But, in regard to the lease in perpetuity on the goldfields subject to compensation for water-races, do you think that the farmers' position will morally be considered stronger than it is now?—The miners are afraid that lease in perpetuity would make the title stronger.

98. *Mr. Matheson.*] Suppose a farmer was granted a lease in perpetuity and so was made more satisfied, and that the mining rights remained exactly the same, do you see that any harm is likely to happen to the miners?—No, provided that they can enter upon lease in perpetuity as on dairy farms.

99. The miners would have exactly the same rights, I believe, under the lease in perpetuity?—Then the miners could not and would not complain if the position was just the same.

100. And if under the lease in perpetuity the rights were the same the miners would have no objection?—None at all.

OSWALD REICHEL examined.

101. *The Chairman.*] What is your occupation?—I am a miner residing at Orepuki.

102. Have you been as long here as your brother?—Yes. I do not know if any of the Commissioners has had much experience of mining. I want to talk about the constitution of the Land Boards. As at present constituted they consist of farmers. Well, a large quantity of the land that they have to administer consists of goldfields, and I think there should be some one on the Land Boards acquainted with goldfields and their workings. As it happens at present, we have sawmill-areas, mineral licenses, occupation licenses, and Goodness knows how many other licenses granted on the goldfields, and if there is no objection they are simply granted whether they are for the benefit of the district or not, because there is no man on the Board acquainted with mining. Mr. Hay stated that the occupation licenses had not been enforced here; therefore they were a dead-letter. The consequence of them not being enforced has been that the miner and the occupation-license holder have worked very well together. If the conditions had been enforced there would have been far more squabbles between the two. Perhaps a little bit of description will not be out of place. The actual workings of the goldfields within a radius of a mile from here would cover about a mile, so that you see it is a very small matter.

103. What is the acreage, roughly speaking?—I suppose under 1,000 acres. These goldfields have been worked for the past thirty-nine and forty years, and are supporting a population of three or four hundred souls. Roughly speaking, there are a hundred miners—sometimes more, sometimes less. Looking at the matter from a broad point of view, mining is the chief means of employment in this part of the district.

104. How many miners are at work now?—About a hundred. In the first place, occupation licenses were granted without compensation. Later on they were amended to provide for compensation; and this was the point I wish to emphasize: If these claims for compensation had been enforced, or if the provisions of the occupation licenses had been enforced, on every occasion when a miner infringed that occupation license there would have been trouble. The great majority of the occupation-license holders are old miners, and they know what it is to be fossicking for a bit of gold, and therefore they offer no hindrance to a man who is prospecting or cutting a bit of a race. The occupation licenses in Orepuki range from 2 acres up to 200 acres, and many of them are being infringed upon by the miners, I may say, every month. The Act simply states that if a miner wants to enter upon an occupation license he must apply to the Warden to cut a piece of a race. In the ordinary course of working a miner cuts a piece of a race pretty well every week, and if he had to apply to the Warden every time he wished to cut a piece of a race entailing perhaps two hours' work he would have to wait a fortnight or so. The miner has no objection to occupation licenses being granted. He has not the slightest objection to any increase in their size, because all the available land about the township that is connected with mining has been

taken up. The miners are not very likely to trouble about the bush lands further back, and if the occupation-license holders wanted 200 or 300 acres the miners would not object to it.

105. And I presume that they would not object to them getting the lease in perpetuity?—No, provided the lease in perpetuity did not go any further than the occupation licenses as at present carried out, but not as at present laid down. As at present laid down it would be a hindrance to mining. In regard to occupation licenses, I think the rent is far too heavy for bush lands. If you are going to grant occupation licenses giving full power to the miners the smaller the rent you put on the land the better.

106. One gentleman said he paid 1s. per annum: what do you think would be reasonable?—2s. for cleared land and 1s. for bush. But after ten years, when the licenses fall in, the rent is increased to 3s. and 4s. an acre, but the holders have no better privileges. I think 6d. per acre would be plenty.

107. Do you mean for all time?—Yes; because if the dairy-farmer clears the land and keeps the weeds down, well, he should get it for nothing. In regard to the question as to whether this land would not be more valuable as an asset to the State than to be sluiced away for gold, I would like to say that two miners will not sluice away an acre in a year, and they will have to get at least £3 or £4 a week to pay expenses or they will not touch it, or if they do touch it they will go to the bad. So from the 1,000 acres which at the outside will be sluiced away at Orepuki we have been exporting about £6,000 a year for the last forty years. That would provide £240 an acre on an average. Of course, some land will give several thousand pounds per acre. These are the main points from the miners' point of view. I hold a residence-area here, and as for the argument that if it were freehold I would do more with it, that is all "buncombe." I go on improving that residence-area to the best of my ability. If I could make it a freehold, and was in a position to do so, I certainly would. We would all desire to do so, whether we are for the leasehold or for the freehold.

108. Personally, you would like to be a freeholder?—Yes. Everybody is of that opinion, although it might not be best for the country. I am a leaseholder for the country.

109. You are a leaseholder for the country and a freeholder for yourself?—It is a question if you can buy the freehold.

110. *Mr. Johnston.*] You say that it would pay the country better to mine than it would to farm and save the land?—Certainly in a small goldfield like this, where mining is supporting the majority of the people.

111. Is much sluicing done that could be done by driving?—The majority of the driving claims do not get all the gold. I know a lot that have been sluiced afterwards, and that means double expense.

112. *Mr. Paul.*] With reference to the constitution of the Land Boards, would you be in favour of giving them more discretion in the general administration of the land laws?—Not for goldfields when they are all farmers.

113. Are you satisfied with the constitution of the Land Boards?—No, I am not, because I say goldfields are not represented, and they represent a large quantity of the lands of the colony.

114. What would you suggest as an improvement on the present nominated system?—The election of the Boards would be a matter of expense, of course; but I really think those who appoint the Land Boards should take into consideration the quantity of land under their control and see that every interest is represented.

115. You are, however, favourably disposed towards the freehold?—Not for the colony.

116. *Mr. McCardle.*] You would like a leasehold for everybody else, but you prefer the freehold for yourself?—If I prefer the freehold I am like every one else, because if I have a bit of money naturally I want to invest it.

117. But land to the value of £1 is not much when you have spent £8 or £9 in improving it?—You always get the value for it; and, freehold or leasehold, you will never take it out of this world with you.

118. *Mr. McOutchan.*] Is this district represented on the County Council?—Yes.

119. Has the County Council by special order declared ragwort a noxious weed?—They have.

120. Why is that special order not enforced?—They have all been given notice. I do not happen to have any, but I know the owners of noxious weeds are sick of cutting them. You may see it about here on the county roads.

121. I see it being cut on the county roads, but not inside the paddocks?—Then, the Act is not being enforced.

122. Then, it comes to this: the ragwort is spreading all over the colony, and we cannot get seed from Southland because it is so prevalent here. Do you think it is any use for the Government to legislate upon this matter if the local body will not enforce the law, and if the local bodies do not the fault will lie with the settlers?—The fault lies with the settlers, but when you come to think of it you can understand why the cutting of it at Orepuki is a dead-letter. So much of the land is not taken up that the ragwort flourishes on it and spreads its seeds all around.

123. *Mr. Anstey.*] Do you know of any complaints by the farmers of miners causing unnecessary damage in cutting their races through the land?—No; the miner, like any other man, always expects to get a return from the work he does. Very often he does not get any return; and, for myself, I may say I have opened up nine different races in a year, and if I had to take into consideration each time the amount of damage I have done in cutting I would have paid a pretty stiff figure.

124. Do you know if miners unnecessarily cut through the middle of a cleared paddock when they might just as well have followed the road or fence line?—No. There may have been some cases, but there has never been any row that I have heard about.

125. One witness said, to the contrary, that races were cut where it was quite unnecessary to cut them?—Quite likely that witness is a farmer who has never mined. He might think that; but a miner who is looking for gold, and who knows mining country, knows better.



126. *Mr. Matheson.*] You feel it is very little use cutting ragwort because so much is left on Crown lands?—That is so.

127. Do you realise that under the law the Crown is responsible for clearing its land as well as the settlers?—That is right.

128. In regard to Land Boards, in all gold districts you wish to see an experienced miner on the Board?—Some one with a knowledge of mining.

PATRICK MOONEY examined.

129. *The Chairman.*] What is your occupation?—I am a miner at the present time.

130. How long have you followed that occupation?—I have been farming and gold-mining for the past thirty-seven years.

131. In this district?—Otago and here. I have been about twenty years in Orepuki.

132. I suppose you wish to address us principally on the mining question?—Well, it was more with an idea of giving my opinions in regard to the land question that I came.

133. Just tell us your views shortly?—I am in favour of small farms. I strongly object to large farms. I am in favour of the freehold. Every industrious man who wishes to make a home is entitled to own the freehold. Any man and his family will work better, and will be happier and more contented, when the home is their own and when it is freehold. All these titles and one thing and another that the Government talk about are like a piece of patched-up machinery—everything goes wrong when the main bolt is out. The main bolt of the whole land question is the freehold tenure. That is my way of thinking.

134. And small settlements?—Yes. I had a dairy farm in Orepuki, and a small portion of freehold. I combined gold-mining with a little farming—that is to say, my family were kept employed milking about six or eight cows. During this period I lived very happily, and I made some money as I went along. I left that place and went into a larger farm, and the ragwort and other weeds came on me and drove me out. I was alongside a party who had a large farm of between 1,000 and 2,000 acres. Nothing was done there to keep down the weed, and it overspread and drove me out. I object to large farms. Again, in my view, the Government holds too many reserves for this and that and the other thing. The Government, in my opinion, are as well entitled to clear their lands and keep down the ragwort as the settlers. If they want to get rid of the weed let them put all these reserves into the market, and people will soon take them up. All the available land alongside the railways and places like that ought to be taken up. I have heard the evidence that has been given in regard to dairy farms, as we call them. These men are interested in mining or in some mining industry, and they have taken up these farms as well. They have spent a tremendous lot of capital and labour on them, and I consider they are entitled to the freehold of their land. They would be satisfied with a 999-years lease, or something that you could call reasonable, if they could afterwards make their home and get the freehold tenure. I consider a man who follows up a sawmill and the like of that, and takes up bush land, is perfectly entitled to the freehold tenure. There is a great scope of country between Riverton and here which ought to be opened up and given in 100-acre sections to every man who would settle on it at 10s. per acre. A man should be given ten or fifteen years in which to pay the money, and then he should receive a freehold title. If you want the country to become prosperous you must assist the poor man and give him a chance.

135. I understand the two main points you wish to emphasize are close settlement and the freehold?—Yes.

136. If freehold tenure was in force in Orepuki, would it not be death to the miners?—Not at all. The freehold is death to nothing. I have tried both. I had a leasehold, and I have a freehold. In this country the working-classes who have not much capital require sometimes to borrow. When I had a freehold property I could go into the bank, and I had no difficulty in getting the money for three or six months. If I wanted to buy stock when I had the freehold I could go to the auctioneer or stock agent, and I could get what I wanted for three or six months. When I had no security I had to go and beg from the Government. I have had money from the Government Advances to Settlers Office, but I will never have anything more to do with them. I had to waste too much time in getting the money. When I had the freehold I left my deeds in the bank, and the bank gave me what I wanted.

137. You are a miner, and also a farmer. Now, if the freehold was granted in this particular district, and if the land was taken up under the freehold tenure, it seems to me it would be death to the miners, because we have heard from previous witnesses that under the present tenure they can prospect and take races over the land, whereas if it was freehold the owner would not allow them to do so?—My opinion of the question is this, although I may be wrong: In the first place, this goldfield has been going on for forty years, and has been keeping a large population according to the size of the country. I think it has kept as large a population as any other 2,000 acres in this Island. Forty years have gone, and I am beginning to think the gold has gone. All the easily got gold is gone. I think a man who goes and takes up 100 acres of bush, and clears it and puts it in grass, should receive proper compensation if in three or four years' time a miner comes along to prospect and dig. The miner is then in a position to see over the country and see where he can best take a race in, and he could do in a day on that cleared country what it would otherwise take him a month to accomplish. The man who has cleared the land and opened it up for the miner is perfectly entitled to compensation for any damage done by races, and so forth. A miner is not entitled to take advantage of the settler's labour. I also think that the Land Board ought to have more power in this district to deal with the reserves. I think there is a great deal too much referring to Wellington about every question. I have lived for the last thirty years in Southland, and I have travelled about, and I have always found the management of the land by the Land Board to be very good. I think they are most intelligent men, and that they know more



about the land than they do in Wellington or any other place. I think the Land Board are quite capable of being intrusted with the whole management.

138. *Mr. Johnston.*] Where were you farming?—At Waimatuku.

139. You said you brought up a family: had you any sons?—Yes. I have one a gold-miner, and two boys of sixteen and eighteen, who are working at the cheese-factory.

140. If you were not a man of capital, would you give them a leasehold?—I would not take up leasehold land. That is what leaves me at the present time without land. I would have nothing to do with leasehold land.

141. If you were not able to buy land, what would you do with your boys?—I would try and buy 5 acres at a time. I would work according to my means. A man does not require such a great deal of land to make a living if he knows how to work it. I could make a living off 25 acres of land.

142. You heard a witness say it was impossible in this district to make a living off less than 100 acres?—A man could make a comfortable living off 100 acres.

143. You do not approve of the leasehold at any price?—I do not.

144. Do you think the leasehold system has been the means of putting people on to the land?—I do not see how it could possibly encourage any man to go on the land. A man will try to get on the land at any price, but it is the duty of the Government to see that this man has a title to his land.

145. In other words, you would not give the working-man a show unless he had capital?—I want to give the working-man a show.

146. *Mr. Paul.*] You believe very strongly in small holdings?—Yes.

147. You realise that previous to the inception of this leasehold system it was very hard for a working-man to get a small holding?—Yes. In fact, I have spent six months at one time and about £100 in trying to get a bit of land, and could not get it.

148. That was before the present leasehold system?—I think it was about thirty-two years ago, when Mr. McNab's run was thrown open. Six of us came down on horseback from Queens-town and spent three weeks in Invercargill, and not a single one of us could get an acre of land, and I had to go back to gold-mining.

149. You must recognise that the Land for Settlements Act has been a good thing for the country, and has enabled poor men to get on the land?—It is the best thing that ever happened.

150. And, of course, it is under the leasehold system?—Well, I do not approve of that.

151. Still, you recognise it is a proper policy for the Government to pursue—namely, to buy up estates and put the working-men on the land?—Yes, by all means; but let them pay the capital off in twelve or fifteen years and make it a freehold.

152. You hold that the regulations in connection with the Advances to Settlers Office are irksome?—Yes. I came to the conclusion I would have nothing more to do with it. At the same time I am under the impression it is one of the finest things that has ever happened in the country, because it has had the effect of keeping down the rate of interest on money.

153. Then, the leasehold system with liberal advances to settlers would not be a bad tenure?—I cannot see at all where the title makes any difference. The leasehold only keeps a man in a poorer position, and I think it is too late to make such a law nowadays. The greater part of the best land is freehold already, and I hold that the people who take up land now are entitled to the freehold as well as their neighbour.

154. *Mr. McCardle.*] In speaking of the freehold, have you any objection to a lease with the right of purchase?—I approve very much of that.

155. And in speaking about small areas do you approve of some restrictions being passed by Parliament to prevent men building up large estates?—I do, very strongly.

156. *Mr. McCutchan.*] I think you come from Ireland?—Yes.

157. Were you a young man when you left Ireland?—I was already married.

158. Do you recollect anything of the condition of the tenantry then?—Yes.

159. Have you studied the literature on the question lately in regard to the measures being introduced by the British Government?—I have heard they are getting very liberal laws.

160. You have heard that they are purchasing estates, and also compulsorily taking estates, as in this colony?—Yes.

161. But is it not with this difference: here we are purchasing to create a tenantry, and there they are purchasing to create landlords?—I cannot say. I have not studied the point.

162. You made a reference to borrowing, and you may have heard the statement from time to time that if a man gets the freehold he is apt to borrow money on it and so lose the freehold: do you think this colony would be as prosperous as it is to-day if the people of New Zealand were not a progressive people, who were always prepared to borrow up to their limit for reproductive works?—We could not have got along without it.

163. *Mr. McLennan.*] You say the Government have land between here and Riverton?—Yes.

164. Is there much of it?—I think, rough country about eighteen miles.

165. Is it anything of a fair class of land?—I have heard men say they would like to get farms on it.

166. You think it is very desirable that land should be settled?—Of course it is.

167. Do you not think 100 acres of that class of land is too little to enable a man to bring up a family?—If the land has a light, ridgy soil I would give him 200 acres, but if it is good flat land a man can make a living on 100 acres.

168. A man has a right to 640 acres of first-class land under the Land for Settlements Act, and surely you would allow him the same privilege in regard to this class of land?—On this class of land there is a difficulty in keeping down the ragwort, and if you give a man too much land he will not be able to manage it. I know that in the early days men speculated largely in land here, and the half of it is neglected. The Inspector does not see the back portions of this land, and so the ragwort spreads and causes mischief to the other settlers in the vicinity.

## HENRY HIRST examined.

169. *The Chairman.*] What is your occupation?—I am a farmer, and have resided here since 1865.

170. You have been a member of Parliament and Chairman of the County Council?—Yes.

171. Will you kindly give us your opinions on the land question?—I have always held that a great departure was made when the two "R's"—Reid's and Rolleston's—land laws were departed from. I think the acme of settlement is the perpetual-lease and deferred-payment system. I may call your attention to the fact that Mr. McKerrow and I travelled through this country with Mr. Rolleston, and in Robertson's Gorge we turned back to see a large block of land. At that time I said that if that land was put under the deferred-payment system at a fair price it would be settled. Now when you go through there from Otautau you will see that it is all beautifully settled. It was all settled under the deferred-payment system, and the tenure is now freehold.

172. You think that is the better system?—Yes, the perpetual lease with the right of purchase and the deferred-payment system. It goes without saying that I am a freeholder. I believe in both these systems, subject, of course, to a period of residence and improvements.

173. Have you any remarks to make in regard to the constitution of Land Boards?—I have been nominated to the Land Board sometimes. I have no objection to the nominee system, except that the Government put some funny characters on at times.

174. Do you think Crown tenants are labouring under restrictions inimical to their well-being, and unnecessary in the interests of the State?—I have heard others complain, but the Government do not interfere with me.

175. Have you anything to say in regard to the effect of climate and land-configuration on settlement?—Well, in Southland we have two systems. We have mining and agriculture. So far as my experience goes, I have never heard that the occupiers of land have been interfered with by mining. I do not think the miners and settlers are antagonistic to each other.

176. In regard to the homestead system that was in vogue in Auckland to encourage people to take up the poor lands there, do you think that any part of Southland is so poor that no one would take it up even at 10s. per acre?—I do not know of any.

177. Would any of Stewart Island come under that description?—Stewart Island is good land, but all covered with bush.

178. You have no personal experience of the ballot system?—None whatever. I do not think there can be any objection to it if it is properly carried out.

179. Do you think that the system of loading lands for road-making is a good one?—It is all right enough if they expend the money, and expend it wisely; but the Government neither expend it wisely nor at all. The loading goes on for all time during the currency of the lease, which means in a lease in perpetuity for 999 years. Is that right?

180. It is the law?—It is not right, all the same. The law is an ass. So far as the loading system is concerned, I think it would be better if the Crown did nothing in the way of opening up land until they had made the roads, or one main road, in the first instance. They would then know the cost exactly, instead of surveying a road and loading the rent, and then in many cases not making the road. I heard one member of the Commission speaking about ragwort, and I may say the Government themselves are the greatest delinquents in this part of the world. There are thousands of acres of Crown lands I could mention about Colac Bay and the Round Hill where ragwort and Canadian thistle flourishes in abundance right up to the top of the hill. I say the Crown should be compelled by some means or another to clear Crown lands.

181. Is it practicable?—We have to keep our own lands clear.

182. Do you approve of the Government system of advances to settlers?—I may say confidently I have known many persons who have made applications for an advance, and they have been refused for no reason that I could see. I do not think the Advances to Settlers Office will advance money on leases in perpetuity.

183. I think they will up to a certain value of the improvements?—I know they have refused, and I know that no private lender will advance on lease in perpetuity. He will lend on the perpetual lease with the right of purchase.

184. Is there any tendency towards the aggregation of estates?—It is rather the reverse in Southland.

185. The people want to sell?—Yes. I know several large estates that have been cut up lately. They have been all sold and occupied. In these cases under the present law these people have to expend an amount of money in roading before the land is sold.

186. And no doubt they put it on the price of the land?—Very likely.

187. *Mr. Johnston.*] What area do you own?—Between 600 and 700 acres.

188. You are not a runholder?—No; I had a lease of this place years ago before the miners came.

189. Do you not think that the lease in perpetuity has been a great factor in putting men with little or no capital on the land?—That may be so; but I think people are induced owing to the long term to go on the land when they have no money, and, as I said before, it is totally impossible to get advances on a lease in perpetuity from auctioneers and stock agents.

190. Do you think it has been advantageous in the settlement of the land?—I do not think any more so than the deferred-payment and perpetual-lease systems.

191. You think the deferred-payment system just as good?—Yes; I am perfectly certain that if it were revived it would give a great impetus to settlement.

192. Can you give us any idea as to how this ragwort came to Southland?—It first appeared at Winton; and the railway contractor in this district at Orakei got his chaff from Winton, and then the ragwort spread along the line.

193. *Mr. McCutchan.*] You are a member of the County Council?—Yes.

194. Have you many "thirds" and "fourths" accruing in this district?—Yes.

195. It has been proposed to capitalise the "thirds" and spend them on the roads: do you not think it would be preferable to raise the money under the Loans to Local Bodies Act, and use the "thirds" and "fourths" to pay interest and sinking fund as far as they will go?—I think that would be a very good idea, because in many cases the amounts are so small that we simply allow them to accrue until it is worth while spending the money. Of course, we have a large sum now standing to our debit; but they are so small that it would hardly be worth while sending the engineer out to expend them. I think the control of that expenditure should be left to the local bodies and not to the Roads Department.

196. Are you aware that a Public Works Act was carried last session under which the County Councils of the colony are receiving notice that unless they spend these "thirds" within six months the Department will resume control, and that the Counties will have no claim at all on the "thirds"?—That is so.

197. Do you think that is wise legislation?—There is a good deal of legislation that is not wise, and that is part of it.

198. *Mr. Anstey.*] Are there many instances of the kind you referred to where the Crown has loaded lands for roads and has not expended the money?—I know of two. What I meant to say was this: that a long period has elapsed before the money was spent, though in the meantime the settlers were paying the rents.

199. You do not actually mean to say the Government never expended the money?—No.

200. You spoke about the Crown being compelled to clear its land of noxious weeds?—Yes.

201. If the Crown had to do that the general taxpayers would have to pay the cost?—Yes.

202. In other words, I, who live in Canterbury, would be asked to help to clear the ragwort in Southland?—I suppose you have ragwort and Canadian thistle in Canterbury. I have seen plenty of it there.

203. If noxious weeds flourish in Southland, do you not think it would be much fairer to ask the local bodies to undertake the work rather than the general taxpayers?—We had control until the Government took it out of our hands. Now it is under the Stock Department. They do not seem to take any action.

204. You think the land ought to be replaced under the local bodies?—I think it would be effective.

205. *Mr. Matheson.*] Where the Crown load a block of land with, say, £1,000 for roading, do you think the local bodies would expend that amount more economically than the Roads Department?—I think so. We have not quite so many officers.

206. Do you think that on all Land Boards dealing with mining there ought to be appointed one man with mining experience?—I think it is a pure matter of sentiment with the miner. There has been very little collision between the Land Board and the miners since I have been here.

#### HENRY McQUILLAN examined.

207. *The Chairman.*] What are you?—I am a farmer with 500 acres of land which was taken up under perpetual lease, and which has been converted into a freehold. Forty years ago I took up 240 acres, and subsequently another 257 acres, both of them bush farms. I have 300 acres cleared and in grass and crop. Some witnesses before the Commission have stated that the lease in perpetuity has been the means of putting a large number of people on the land, because, they said, it was so simple to get. My opinion is quite the reverse. I think the perpetual lease has been the means of putting a large number of people on the land—poor people. I may say that I am in favour of the freehold. In my opinion, and I have travelled a good deal, the ambition of most people is to get a piece of land which they can convert into a freehold—even if that piece of land be not much larger than a kail-yard, so as to be able to say, "That is my own." In regard to the ragwort, I was brought up on a farm in Scotland, and have done everything on a farm between herding cows and finishing the top of a stack. There was some ragwort in some parts of the district I came from, but it existed mostly in places where there had been floods from rivers, and in such places it was a great pest. I may say in regard to this district that the first appearance I saw of ragwort was at Massey's Siding, and I advised that steps should be taken to eradicate it, but my advice was not taken. It then spread all over Wallacetown, and it was conveyed by the droppings of horses from the chaff they had eaten. The Government declared ragwort to be a noxious weed, but they threw the onus of dealing with it on the County Council. I explained to the farmers what the result would be. I approached the County Council on the subject, and a resolution was adopted which was subsequently rescinded. Ultimately the County Council adopted the Second Schedule, and the consequence has been that we now have ragwort throughout the district. However, we have an intelligent Inspector, and I suppose ragwort will eventually be got rid of.

208. *Mr. Johnston.*] Can you recommend any way of getting rid of it except by cutting it or by pulling it out?—If you put salt on it that will kill it. If a man has only a few weeds in a paddock I would recommend that he should not allow them to flower, but should put his heel on the tracks and salt them.

209. You are perfectly satisfied that it was the chaff at the siding at Wallacetown which led to the spread of the weed throughout this district?—Yes, through the chaff and the droppings of horses.

210. You have 500 acres, and 300 acres cleared?—Yes.

211. What would you take for it?—£5 an acre.

212. What did you pay for it?—15s. or 12s. 6d. an acre.

213. You strongly approve of the freehold rather than the lease with the right to purchase. Supposing a poor man could not afford to go in for a freehold farm, do you think he should go in for a perpetual lease?—Certainly I think he should. I was a poor man when I went on the land, and I am not a rich man yet.

214. For a working-man going in for a farm would you approve of the leasehold?—Yes; but if it is a perpetual lease and he makes improvements he can borrow on the improvements, but if he takes up land under the lease in perpetuity he can borrow only a small amount, and that with very great difficulty.

215. Is your land within the mining-area?—Yes. That is a subject upon which I would like to speak. Under the Richardson Act, Block 15 was taken up under perpetual lease. There were no restrictions as to the land being in a goldfield-area when it was taken up. After some settlers had been a year or two on the land and wanted to purchase, they were told that the land was within the goldfields area. They made an application to purchase. The Land Board granted it, but it was left to the Warden to say whether he would grant it or not. I think that the Government broke faith with the settlers on Block 15 in putting any restrictions on it. Seeing that the Government had broken faith with the perpetual-lease settlers, what security is there for others when we see a section of the people advocating a Fair Rent Bill and a revaluation? Some of the men who hold land under this tenure will have a rude awakening.

216. What protest did you make?—I protested; but I could see that if I put in very much protest the Warden would have objected to my getting the freehold at all. I appeal to the Commissioner of Crown Lands, who is present, if I am not speaking the truth. I thank him for backing me up, otherwise I do not believe I would have got my title at all.

217. What is your opinion about the mining?—I am not going to say very much about it. The miners have been here for the past forty years, and the families of the miners and the farmers are so mixed up that we all get along happily together.

218. Is it right that the good land should be destroyed?—When I first came into this district I looked around and said, "Future generations will curse this generation for washing that land into the sea"; but after you are married and have relatives amongst the miners you to some extent naturally change your opinion.

219. *Mr. Paul.*] Do you think the lease in perpetuity has been a good and successful thing for the colony?—Not so good as the perpetual lease. I think that instead of being an advantage to settlement it is retarding it.

220. Has it promoted settlement?—No.

221. Has it put numbers of people on the land?—No.

222. How many men have been placed on the land under the lease in perpetuity?—Numbers have been placed on the land under the perpetual lease and occupation with right of purchase.

223. I suppose you know that over six thousand people hold land under the lease in perpetuity?—Yes, and 75 per cent. of those people are to-day trying to get their lease converted into freehold.

224. Which do you think would be the best to settle the poor man on the land?—The perpetual lease. There is nothing better than the perpetual lease with the right of purchase.

225. *Mr. McCardle.*] You think that is the only real chance the working-man has to get on the land?—Yes.

226. *Mr. McLennan.*] I think you belong to the Farmers' Union from what you said?—Yes.

227. I presume you are representing that body in giving evidence?—No. Some of them thought the thing was more a farce than anything else, but I decided individually to come and give evidence.

227A. With respect to what has been said as to the difficulty in getting money, I may say that I am a tenant under the lease in perpetuity, and I have no trouble in borrowing money—in fact, we get too much of it?—You may be a capitalist.

228. No; I am simply a working-man, and I have never heard of any one being refused money?—If you are a working-man under the lease in perpetuity my advice to you is to go away home and get the freehold. There is another thing I may mention with regard to the lease in perpetuity, especially in the case of bush land. A man takes up land under that tenure, and after a time he finds he is not able to deal with it, and he says "It is better for me to leave the land in the hands of the Government," and that is perhaps after he has taken the cream out of it.

229. *Mr. Anstey.*] What is the difference between that and the perpetual lease?—There is not much difference if the thing is not bought out, but if a man has a chance of buying it out he will work night and day to keep the place pure of weeds.

230. You told us that there was a breach of faith on the part of the Government in regard to some restrictions which they sought to impose on Block XV., and you said that when they broke faith with these settlers they were just as likely to break faith with the settlers under the lease in perpetuity. You are aware that there is a graduated tax, and also that there is plenty of time to put on extra taxation: would it not be just as likely that something more might be done in this direction as affecting the freeholder?—I do not think so, because they would be able to resist it by combination.

231. And the leaseholders could not?—No, because the land belongs to the Government, and leaseholders would be in a minority.

232. *Mr. Matheson.*] You have stated that it is not so difficult to get an advance under one system, but that if you wanted to borrow money under the lease in perpetuity it is difficult to get an advance?—That is my experience.

233. Does it not strike you as strange that in other parts of the colony people speak of getting it very easily?—It seems very strange; but it is simply this: that if in Southland you hold a section under the lease in perpetuity and you went to Invercargill to try and raise a mortgage, the boots might be worn off your feet before you could get it.

HUGH ERSKINE examined.

234. *The Chairman.*] What are you?—I am a settler at the Waiau, and hold 630 acres under the freehold tenure. I have been there eighteen or nineteen years. It was all bush land when I took it up. It is not stumped yet, but it is under grass. There is good access

to it. I took my land under the perpetual lease, and I have purchased the land, and have got on well so far. I believe in the freehold.

235. Have you any neighbours on a different tenure than your own?—Yes; there is a State settlement called Papatotara. It is an improved-farm settlement. Most of the settlers had the right of purchase.

236. *Mr. Johnston.*] You have 630 acres?—Yes.

237. Is it freehold?—Yes, I made it freehold.

238. What was the capital value?—I paid 15s. an acre for it.

239. You have it all in grass?—Yes.

240. What stock will it carry?—I have six hundred head of cattle, a thousand sheep, and twenty horses, and I think it would carry a lot more. There is plenty of grass.

241. You approve of the freehold?—Yes.

242. Is the settlement you refer to a success?—No; the holdings are too small, and it is out of the way. The settlers have to bring their milk nearly twenty miles to a factory, and there are not sufficient settlers to enable them to put up a factory of their own.

243. Is there sufficient land around to enable the settlers to put up a factory of their own?—Yes, if it were cut up.

244. *Mr. McCardle.*] What did it cost to put up a house and grass and improve the land?—I could not say.

245. What do you consider the value of the farm now?—I reckon it to be worth £5 or £6 an acre now.

246. *Mr. Matheson.*] There has been good totara there?—Yes.

247. Could that be made use of by sawing it?—We have none now.

247A. Has it been destroyed?—No; but it has been made use of by the Telegraph Department for poles, and by the Railway Department for sleepers. I would like to state also that the Government have set aside a block of land there for the Natives. People in the district would like to take up some of that land with the right of purchase if the Government would set aside a sum equal to the value of the land and give the Natives the interest. With reference to ragwort, I never had any difficulty with it. In the part of the country I came from we thought the land was no good unless it would carry ragwort. Where I am at present we have a good deal of ragwort, and I have lost no stock owing to it. Sheep do well on it. It is a very harmless plant, and I think it is one of the most harmless of the plants that have come into the country.

248. *Mr. Johnston.*] Where do you come from?—From County Down.

249. They grow ragwort there?—There is any amount of ragwort there.

250. *Mr. McCutchan.*] If the ground was thoroughly occupied by ragwort what would be the position?—Sheep would eat it.

551. Have you experienced that?—Yes. I have known sheep to leave the grass and eat the ragwort.

252. There is no doubt that ragwort in small quantities will not hurt much, but do you not think, as a practical man, that a whole diet of ragwort would be injurious?—Up at Titua there was some ground wholly covered with it, and there is none of it there to-day.

253. *Mr. Anstey.*] In the case of land there being thick with ragwort and sheep being placed upon it would it increase or decrease?—Decrease. The sheep would do well on it.

254. Supposing there were cattle on it?—Cattle will not touch it.

254A. If the land is stocked wholly of sheep it will decrease?—Yes.

255. But if it is stocked with cattle it will increase?—Yes.

256. *Mr. Matheson.*] Has the noxious-weeds Inspector troubled you about the ragwort?—No; he has had a look at it.

257. Has he not told you that he wants you to take more active steps against it?—He said, "You have a little bit of yellow weed here," and I said, "Yes," and he said, "What are you doing with it," and I said, "I had seven hundred cutters," and he said, "People?" and I replied, "Sheep," and he went away, and I do not know whether he is going to do any more about it.

THOMAS GEORGE PEARCE examined.

258. *The Chairman.*] What are you?—I am a sawmiller by trade, but at present I am a farmer living at Otahu and at Waikapotu. I have 1,100 acres at Otahu and about 100 acres at Waikapotu. The 1,100 acres is under lease in perpetuity, and the 100 acres is under lease in perpetuity and partly under perpetual lease. I have been here about twenty-five years. Mr. McQuillan said the ragwort came from Wallacetown. That is not so, because when I came down here the place I took up was smothered with it at Waikapotu. I was then told that it was brought down by horses from Winton. I have reared and bred cattle during the last eighteen years, and, like Mr. Erskine, I have not lost a head of cattle from it. I am not going to say it is a blessing, but I have not lost any cattle from it, nor has it tainted the milk. The fault is that people overstock. I have never overstocked my place. As to lease in perpetuity, I do not think it is a good system. With respect to borrowing money, I may say that I put in an application in respect of Otahu, on which I have improvements to the value of nearly £800, and I asked for £200. It was refused, and no reason was given.

259. Did the valuer of the Department value it?—He looked at the place. As to breach of faith in connection with perpetual lease, I may say that I took up the lease at Waikapotu under that system, and I applied some five years ago to purchase the land, and I received a memo. from the Southland Land Board to the effect that the land could not be purchased. I applied for the freehold within the time prescribed by the Act, and the answer I got was that there was no provision to issue titles to these areas. As to the village-homestead system, I think the area is far too small. I took up the land simply because I had a family, and I was sawmilling, and I wanted a place to put my family on, and in order that the children might go to school. I was restricted to

50 acres in the block. That was not sufficient for me to make a home on. That was the decision of the Land Board. With respect to the Bush and Swamp Crown Lands Settlement Act, that is very good as far as it goes, but leads to speculation. I know a number of people who have taken up land under that Act—and I would do it myself now—who are simply holding bush land until a mill comes into it. There is no rent to pay, and you are not compelled to make any improvements on it for three or four years, and there are no rates and taxes. Here are we settlers trying to make a living, and yet here are these men holding land for speculative purposes and waiting for sawmillers to come up and then they will dispose of it.

260. *Mr. Johnston.*] Do you not think ragwort depreciates the value of the land?—No, not if you have sheep on it. My experience is this: that, when you cut it, the next year it comes up worse than ever. I showed the Inspector half an acre that I had cut, and you could not stick a walking-stick between the plants. It spreads from the root. As to killing it with salt, as has been stated, I think you can take that statement with a grain of salt.

261. Do you consider it is advisable that there should be a change in the constitution of the Land Boards?—I think the Crown tenants might be more represented than they are at present. As far as the Southland Land Board is concerned, I must say this: that they act fairly to any Crown tenants.

262. Would you have them elected by the Crown tenants or nominated?—I think, nominated, the same as at present. I view Land Boards as a kind of jury sitting to try a case, and I think that if the Crown tenants had the right to elect they would only elect Crown tenants.

263. And you think the Land Boards as constituted at the present time consist of fair and reasonable men?—I think so. I think the village-homestead settlements should be enlarged.

264. *Mr. McCardle.*] A statement has been made that the new Act which allows a man to remain off swamp land for two years and bush land for four years may encourage speculation in timber, and so on. Are you aware that notices have been sent stating that a settler is not allowed to sell any of the timber on land that is leased so long as it is leased, and that the royalties have to go to the Government?—I have seen nothing of that sort; there is no clause in my lease that prohibits it.

265. *Mr. McCutchan.*] Do you condemn the Bush and Swamp Crown Lands Act?—No.

266. But you think it might encourage speculation. Are you not aware that you are bound by the same improvement conditions under that lease as under a lease-in-perpetuity lease?—I have not seen any under it.

267. *Mr. McLennan.*] Have you a weed called yarr?—There is plenty of it down here.

268. Do you think it is worse than other weeds?—I have no experience of it.

269. *Mr. Anstey.*] When you said that Crown tenants ought to be represented on the Land Board I suppose you meant that one member should be a Crown tenant?—Yes.

270. If you think Crown tenants ought to be represented, what about miners?—The miners, I think, are well secured by the various Mining Acts and the Warden, who has full control over all mining lands.

271. So you think they do not require special representation?—I do not think so.

272. Do you know of any difficulty that has arisen between the interests of the miners and the settlers?—No.

273. Do the miners unduly interfere with the settlers?—I do not think so.

274. *Mr. Forbes.*] You would like to get the freehold of your present lease-in-perpetuity section?—Yes.

275. Would you like to get it at its present value, or at the value when you took it up?—It should be sold to me at the value when I took it up. Its value to-day is what I have made it. There may be places where there is what is called an “unearned increment,” but there is nothing of that kind here. When I took the land up there was not a stick on it. I have put up a house and seven or eight miles of fencing, and I have ploughed the land, and so on, and I do not think it would be right that I should have to buy the freehold at the valuation that has resulted from my improvements. It would be only buying my labour back.

THOMAS HOWARD examined.

276. *The Chairman.*] What is your occupation?—I am a bush settler.

277. What is your tenure?—Occupation with right of purchase.

278. How many acres do you hold?—1,004, and I took it up in 1892.

[The witness stated that he had come before the Commission to complain of the manner in which this land had been described by the surveyors on the plans. He had not visited his section before taking it up. He also complained that the land had been valued too high.

*The Chairman* ruled that these were matters affecting the administration of the Lands Department, and did not come within the scope of the Commission.]

JOSEPH WILSON examined.

279. *The Chairman.*] What is your occupation?—I am a farmer at the Waiau.

280. How many acres have you got?—204 acres.

281. Under what tenure?—Freehold.

282. How long have you been there?—About thirteen years.

[The witness stated that he had a complaint to make against the Land Board because they had forfeited a section which he took up under an occupation lease for non-residence, and three months afterwards they had given it to a neighbour of his, and that man had not resided on it from that day to the present time. Witness said he could not comply with the residence conditions because there was no road to the section.

*The Chairman* ruled that this was a matter affecting the administration of the Lands Department, and did not come within the scope of the Commission.]

283. *Mr. Anstey.*] If there had been a road to the section would you have complied with the conditions?—Yes.

284. Do you think it should be a condition before forfeiture that the road should reach the section?—Yes.

285. With regard to the constitution of Land Boards, do you think that if the Crown tenants were represented on the Boards, or were allowed to elect one member, that your cause of complaint would be removed?—I think that would be a wise step. The settlers have no voice in the administration of the lands at all, and there is evidently no way of getting redress at present. I do not think there would be so much friction if the settlers were represented on the Boards.

BURNARD HORRELL examined.

286. *The Chairman.*] What is your occupation?—I am a farmer.

287. Where do you live?—At Titua, with my brother.

288. How many acres do you hold?—400 acres.

289. Under what tenure?—Freehold.

290. Have you been there long?—A year and a half.

291. Did you purchase from the Government?—No, from the original holder.

293. What do you wish to bring before the Commission?—In the first place, I am in favour of the freehold as the ultimate object. At the same time, I think there cannot be much doubt that the present Government land laws have produced a great deal of good. There has been a lot of successful settlement, but I hold that the present lease-in-perpetuity settlers should have the right to acquire the freehold. I do not think any system of putting people on the land will work properly unless the freehold is the ultimate end. The settlers have not the same heart to work or the same desire to make improvements as they would have if they knew that ultimately the land would be their own. Most of the gentlemen who have spoken on this subject favour the perpetual lease. That has been a good lease, but I think that the present lease with the right to purchase is just as good, only I do not think it is fair that the Government should penalise a man who wants to buy his land with an extra 1 per cent. interest. As a rule, it is the poor working-man that the Government say they want to put on the land, and it is these men who go in for the lease in perpetuity. They want to take up the land in the very cheapest way. People might say that 1 per cent. is not much, but it is a good deal. 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, and I think they should get the right to purchase at a reasonable cost. Any increase in the value of the land has been put there by their own labours. We can easily understand when this colony was first opened up that the land was almost valueless, and any unearned increment has been the result of these men's labours, and they are entitled to it. It is ridiculous to think that any man coming from the Old Country should have his share of the unearned increment that has accrued before he arrived in the colony. In regard to revaluation, I think it is most unfair that when a man has taken up land and improved it, and by his own work increased the value of it, he should by-and-by have to pay an extra rent for having done so. I think the settler is entitled to every consideration. People in the cities cannot understand what it is to go into the back blocks and take up land. Some people are under the impression that it is a bed of roses, but in practical experience it means very hard work, and in most cases, for some years at least, it means that a man instead of making money is losing it. By-and-by, when the land is improved a bit, he makes a profit, and he is entitled to it. There is just the same increase in value in the cities as in the country, but we hear no complaint from the city. The people say they have a right to it. If a man is in a particular business and that business flourishes he is entitled to reap the benefit of it. I consider revaluation will keep tenants and the farming population in a state of poverty, because they will be always rated up to the limit, and in the event of bad years it will be a very hard business to get a rebate. When things go well we get an increase in the rate very easily.

294. There is no revaluation under the lease in perpetuity, and that is the main way of settling people on the land?—Yes; but we think that lease will be departed from.

295. We can just speak of things as they are now?—At the same time, I give this as my fear: that the lease will be tampered with, and that revaluation is the ultimate object of those gentlemen who are trying to manage the land at present.

296. *Mr. Johnston.*] What did you pay for your land?—£4 15s. per acre.

297. What was the original cost of it?—I think, 15s. or £1.

298. What improvements had been made?—There was a house on it, and about 200 acres had been felled and grassed, and there was some fencing.

299. Do you think the man who sold to you got just the value of his improvements or anything more?—He got a little more. There was an increase in the value of the land.

300. Then, there was an unearned increment?—Yes, a slight one; but I consider he was quite entitled to it.

301. Do you know the education leases under the Commissioners?—I have heard of them.

302. Would you be in favour of letting those reserves with a purchasing clause?—I should say, Yes. It would be far better for the land and the tenants.

303. Why better for the land?—A freeholder will work his farm better than a leaseholder, more especially if there is no risk of a revaluation coming over his head, because if a man farms his land well he can easily make it worth a bigger rent than he is probably paying; whereas if revaluation is hanging over his head his inclination is to take everything out of the land that he can, no matter whether he ruins it, and when revaluation comes the chances are the value will be reduced.

304. In other words, you do not think the leaseholder is honest in the treatment of his land?—I consider it works that way—the inclination is always that way.



305. You would not be satisfied with a 999-years lease without revaluation?—I would not consider that equivalent to the freehold.

306. It is a matter of sentiment?—There is more than sentiment. If you want to sell or to borrow money it is a big advantage to have the freehold.

307. You get the value of the improvements, and the State still holds the land?—And you get nothing else.

308. Your goodwill covers the unearned increment as well?—You get no unearned increment out of the leasehold.

309. You get the goodwill of your lease, which covers your improvements, and more for good land in convenient places?—Yes, I understand what you mean; but at the same time there is not the same confidence in the leasehold as in the freehold, and there is good reason for it.

310. But you are not prepared to pay anything extra?—Yes; I am prepared to pay an extra 1 per cent.

311. If the option with the right of purchase is a better tenure it is worth more?—I am quite prepared to pay 1 per cent. more for six or ten years in order to have the opportunity of buying the land ultimately.

312. You said the Crown tenant should have the right of purchase: do you mean in every case, including the land for settlements?—Yes, in every case I think the right to the freehold should be given.

313. You make no distinction between those lands where the pioneer settlers have had to encounter all the disadvantages and the case of improved estates acquired by the Government on which those disadvantages have been overcome?—There is certainly a difference, but I do not know how you can make a distinction.

314. Do you think the Government are still to go on borrowing money and buy land and then give the freehold?—Yes; but they should pay off the money borrowed with that money.

315. You said something about revaluation: in the case of land decreasing in value do you not think a struggling tenant has a right to a reduction in rent?—If a man takes a reduction in rent he lays himself open to an increase also. If I took up land I would sooner have the rent in front of me and stick to it.

316. *Mr. McCardle.*] You think there should be a reduction in the lease with right to purchase to 4 per cent.: would you apply that entirely to bush land?—No; I would extend it over all Government land.

317. *Mr. McCutchan.*] You refer to the question of revaluation: is there a general sense of insecurity amongst the landowners in connection with this revaluation question?—In my district there is a general sense of insecurity that the lease will be tampered with.

318. To what is that sense of uneasiness due?—To the present labour-law agitation.

319. To speeches made by members of trades-unions?—Yes; the object of labour legislation is to nationalise the land.

320. Do you think if that was thoroughly safeguarded, if possible by legislation, that sense of uneasiness would be removed and people would be satisfied with the 999-years lease?—I hardly see how that could be safeguarded, because the Government could pass an Act to-morrow, and they can rescind it.

321. *Mr. Anstey.*] You said that many settlers are afraid that the Government might tamper with the lease in perpetuity: is there any more reason that they should tamper with that lease than with the freehold?—Yes; the land is their own in the one case and not in the other. I think that if they tampered with the one first it would be the lease in perpetuity. Although I am a freeholder I believe in a great extent in the graduated land-tax.

322. You are in favour of bringing all Government land to the 4-per-cent. basis?—I am in favour of bringing the right of purchase down to 4 per cent.

323. It costs the Government nearly 5 per cent.?—Of course, you cannot expect the Government to let land at a less rate than they pay for it.

JAMES JOHN HAMILTON McLEAN examined.

324. *The Chairman.*] What are you?—I am a farmer in the Te Tua district. I have 260 acres on lease in perpetuity, and have resided on it for three years and a half. At the time I took up the land I had no capital. When I say I had no capital, it was bound up in a big family and was very slow at returning interest. That accounts for my taking up land under that tenure; otherwise I would have taken it up under the optional system. My position now is that if I wish to get money my capital is not fully developed, and if I want a little money to work it I can only get it at a very high rate. I could not get it from any private firm, and the Advances to Settlers Department gave me to understand that they did not favour my position. The valuer said that should there be a default under that tenure the Department has very little hold upon the improvements. Should there be a default the Land Board steps in and takes the property, and disposes of the improvements as they consider to be the best advantage. 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. Possibly the defect could be remedied in some way by giving the Advances to Settlers Department some more say in the administration of the estate. The cry has always been, "What are we to do with our boys?" If we do not make farming popular our boys will not take it up, and if we do not give the right of purchase it will not be so popular. When they see the advantages of artisans and others living in the towns there is tendency for the young people to go to the towns and become artisans. I think that under the labour laws the artisan class or labour-unions are making it very difficult for their own offspring to learn trades owing to the restrictions with respect to apprentices. It is the people I have referred to that are trying to upset the freehold tenure, and it is at the bidding of these classes that an endeavour is being made to



take away the option. Then, suppose my health was to break down, what would be the position? I know a farmer not far from here who has been trying to dispose of his property at a reasonable rate, and he is met with the response that he cannot dispose of it. Supposing I fell into ill health and could not work my farm, what would happen? I could not sell it, and it would simply have to go by default, and some one else would get the benefit of my labour. They might give a very little or they might even give the full value of it from a commercial point of view, but that would not represent all the labour I have expended on it, and all the hard work and worry. As a matter of fact, my own family are just beginning to be useful. I have two sons back from school, but they are only lads, and if my health broke down, or I died, my family would be at starvation-point, because those two boys are not yet able to work the farm to advantage.

*Mr. Hay* (Commissioner of Crown Lands, Southland): There would first be a transmission, and if the children could not carry on it would have to be forfeited. Fair value would be given for all improvements. It would be offered again, and an incoming tenant would have to pay the value of the improvements before getting possession.

*The Chairman*: There is no landlord comparable to the Government for goodness and for giving every consideration to anything that comes before them. The State is the best landlord any one could possibly be under. In such a case as has been stated the family would be treated with the utmost consideration.

*Witness*: There is one other point in regard to the right of purchase, and that is this: When a person has a freehold, and he is in a sound financial position, his home is his castle. Under the lease in perpetuity he is under a landlord, and through the Land Board he is under a Ranger, and, if he happens to give offence to that Ranger, the Ranger, if a vindictive man, may do him a great injury. My own experience is that our officials are doing their work as fairly as they can. At the same time, I think it is not a power that should be in the hands of a man. I think that the tenant should have an opportunity of acquiring his property and making his home his castle; otherwise it takes away one of the strongest reasons for people taking up land, and will tend to make land unpopular with the great majority of the young people who are growing up. Looking at the principle from a broad public point of view, I think the nationalisation of the land will be hurtful in the end even to the town-dwellers.

325. *Mr. Paul.*] You stated that the Government proposed to take away the option with right of purchase: what did you mean by that?—In the case of one of the last blocks dealt with there was no option whatever given. It was dealt with under the lease in perpetuity. Once you establish the principle of State ownership of the land it is only one more step to taking the whole of the land of the colony.

326. Taking the whole of the land of the colony would mean more than passing an Act of Parliament?—Yes; it means borrowing money to do so.

327. You mentioned the trades-unions. Although that does not come within the scope of our inquiry, you expressed the opinion that it was unwise to limit the number of apprentices?—I did.

328. Your experience has not brought under your notice cases where more apprentices have been put into certain trades, thus undermining the position of the workers in the trade—I mean that the number of workers in the trade have exceeded the demand, and therefore it has injured the whole mass of the workers?—It may be that the number of apprentices have the effect of reducing the wages of others. That is a question of wages entirely.

329. You spoke of your sons not being able to pay the rent on your lease-in-perpetuity section if you broke down in health: do you not think it would be easier to pay rent under the lease in perpetuity than to have a loan on the land and thus lose the freehold?—There is no doubt that that is the case; but at the same time I wanted to point out that, in the event of the family not being able to carry on, no one would buy the property, and it would simply go back to the Waste Lands Boards, whose valuation must be taken by the incoming tenant.

330. But your family would have a greater chance of living on the land at a 4-per-cent. rental than with a mortgage at, say, 7 or 8 per cent.?—Certainly.

331. *Mr. McCordle.*] Your idea would be to further improve the property so that the holding would be reproductive, and the family better able to live on it after you?—Yes.

332. Supposing the Advances to Settlers Act were amended and they treated the settlers liberally, would not that meet the case of a settler who wanted to borrow?—To a certain extent only.

*Mr. Hay* (Commissioner of Crown Lands, Southland): Block XIX. was offered under the lease in perpetuity because it was within the goldfields area.

*Witness*: I see no reason why an exception should be made in the case of that particular block.

ALEXANDER MILNE DAWSON examined.

333. *The Chairman.*] What are you?—I am a gold-miner, and have been twelve years in this district. The miners object to any other tenure being given to land immediately around gold-mining works than is now given by occupation lease. If we wish to construct a dam or a race through any dairy farm we have sufficient trouble to contend with now. It has been said by some of the witnesses that sluicing is wasting the ground, and that it would be better to give it to the farmer and do away with mining. It is argued that in many cases the land will produce more in the hands of the farmer than if it is sluiced by the gold-miner. At Orepuki there is land being sluiced, and there has been taken from it from two to four thousand pounds' worth of gold. I should say if you put the money thus taken from the land at compound interest it would take even the best land a long time to return a similar sum. The land is not altogether destroyed when it is sluiced away. In course of time it can be used for agriculture again. If the land is given to the farmers on lease in perpetuity it will add very much to our expense in working the ground, and if we do not happen to have a fairly payable piece of ground it simply means that we will have to give it up altogether. In the case of bush land it would have to be surveyed,

and roads would be wanted to it. I think that miners on known alluvial land should be kept as free as possible if mining is worth carrying on, and, if it is not, I suppose it is better to allow the miner to go down altogether and let the farmer take up the land.

334. *Mr. Anstey.*] A statement has been made that practically mining is played out as far as Orepuki is concerned: is that your opinion?—I think that is absolute nonsense. The field has been good for thirty years, and no one knows how much longer it will go. This is certainly a limited area, but I have seen prospects away from Orepuki where I would certainly go if I was not working on a fair place here.

335. Why do you object to the lease in perpetuity if the miners' rights are still conserved?—I do not altogether understand the lease in perpetuity, but I know the more fixed a farmer's tenure is the greater the trouble we have in dealing with him. We do not wish to do the farmers any harm. We wish the Government to consider whether the land is better for farming than mining.

WILLIAM GEORGE HODGETT examined.

336. *The Chairman.*] What is your occupation?—I am farming 97 acres under lease in perpetuity. I have had it between two and three years. It is in the Longwood district, about fourteen miles from here.

337. What you do wish to bring before the Commission?—When I got that land I had an occupation license for twenty-one years and I surrendered it to get another lease. I could only get a lease in perpetuity, while all the settlers round me with one exception have the right of purchase. I had no option but to take up a lease in perpetuity.

338. You would like to have it with the right to purchase?—Yes.

JOHN JAMES HALL examined.

339. *The Chairman.*] What is your occupation?—I have been mining here off and on for twenty-three years.

340. What do you wish to say?—I simply wish to say I want to indorse the remarks of Mr. Dawson in regard to the miners and dairy-farmers. I do not think it would be right to grant any better leasehold for the goldfields. It is not a very big area, and as for Orepuki being played out, I think that more gold has been got from Orepuki in the last seven or eight years than was ever got before.

PETER JOHN PETERSON examined.

341. *The Chairman.*] What is your occupation?—I am a miner just now and the holder of an occupation license as well of 100 acres.

342. What do you wish to say?—I wish to indorse what Mr. Menpes said this morning. I have heard several miners give evidence, and, of course, I do not see any reason why they should not pay us valuation for our improvements. If we clear the ground and they want to sluice it away they can well afford to pay us £8 or £10 an acre, because it would cost them at least £20 an acre if they had to clear the bush land themselves.

343. Who fixes the compensation?—The Warden. We are asking for a lease in perpetuity, as our present tenure is not long enough.

344. I presume in fixing compensation the Warden takes into consideration the fact that the land has been cleared?—Yes. I think it is very unreasonable for the Land Board to raise the rent. There was nothing to justify it. The people make no money out of these dairy farms, and hardly make a living out of them.

345. How much did they raise it?—From 1s. to 3s.; and they cannot say that mining improves land.

346. *Mr. Anstey.*] You are quite willing to allow miners to go across your land on payment of compensation?—Yes.

347. Is it the case, as several miners have complained, that a good deal of delay takes place in fixing compensation?—There may be, but we are quite agreeable to fix the price without going to law. If we cannot agree it is quite right that a responsible officer like the Warden should fix it.

SAMUEL BENNETT examined.

348. *The Chairman.*] What is your occupation?—I am a miner, and I have been here just twenty years this time. I was here at the first rush about forty years ago.

349. What do you wish to say to the Commission?—I quite indorse the evidence of Mr. Dawson and the Messrs. Reichel. My wife owns a dairy farm, and I am quite satisfied with the terms we have at the present time. We do not wish them changed.

350. How many acres have you?—About 13 acres. There is a strip of country between here and Pahi, and there is no doubt there is payable gold all through it, and if it is to be cut up into State farms the miners will have no chance at all.

STEWART ISLAND, SATURDAY 25TH FEBRUARY, 1905.

ARTHUR WILLIAM TRAILL examined.

1. *The Chairman.*] What is your occupation?—I am a settler of thirty years' residence. I hold 20 acres of freehold. I have no land leased at present.

2. You are Chairman of the Stewart Island County Council?—Yes.

3. We would like to have your opinion as to the best means of extending settlement in the island?—Any one who takes up land in Stewart Island with a view to making a living out of it has to spend an enormous amount of money, time, and labour in clearing. This is a particularly hard district to clear, because the climate is so wet. It constantly happens that the felled bush cannot

be burned off even in the following summer, with the result that in the winter fern and scrub grow up. Under these circumstances every one who takes up land hopes to get the freehold either by purchasing outright or taking out a lease with right of purchase.

4. Is there much land taken up under the tenures you speak of?—Yes, several large sections have been taken up under the optional system. One or two have selected under the lease in perpetuity, and, so far as I understand, they regret having done so.

5. Owing to the difficulties of clearing there cannot be much land put into shape yet?—Not a large quantity. I have known a section to be sown down in grass and left with a few cattle on it, and, of course, in a few years it had gone back to natural scrub and bush. Some sections were cleared about fifteen years ago, and except for the absence of large trees you could not tell they had been cleared at all. Constant work is required to check the underscrub.

6. Then, the occupiers of these sections cannot possibly be living out of the land alone?—Very few of them are doing it; generally they are following some other occupation, such as sawmilling or fishing.

7. I do not suppose sheep do well here?—They thrive well enough if you keep them out of the bush.

8. Can cattle get feed in your bush?—Yes; they go there in winter.

9. How are you served for roads?—The roads are being gradually extended towards these sections.

10. Are the funds for the roads supplied by the Government?—Yes, mainly. The rates keep the roads in repair a bit. They are mostly bush tracks. Very often summer visitors like to take up land—about an acre or so for a summer residence—and nothing but the freehold is any good for them.

11. Has any land been laid off in small sections to meet that demand?—Only private land.

12. *Mr. Forbes.*] Would you suggest that Crown land be laid off in that manner?—Of course, all the most likely sites are taken up. The suggestion is worthy of consideration, but I cannot suggest any special site.

13. Do you think it would be as well to make reserves for that purpose?—I think so.

14. Is there much land suitable for settlement?—Not in the neighbourhood of Half-moon Bay. It is all bush land. I believe if some of the sections at the back in the bush were opened under the optional system they would be taken up.

15. Do you think the people here would apply for them?—There are some who want to get on it. I do not think there is any demand for the lease in perpetuity.

16. What sort of rent do they pay for the land?—I think, about 10s. an acre.

17. *Mr. Paul.*] I understand a large area of Stewart Island has been set apart for scenic purposes?—Yes; all the hilltops, comprising 200,000 acres. It is barren land, but interesting from the tourist point of view, because of the many interesting alpine plants and birds to be found there. It is also proposed to stock the land with deer. One or two tracks have been cut to the mountain-tops. Then, some 46,000 acres have been reserved lower down about the principal inlets and bays for scenic purposes, and to prevent the destruction of the bush. All the small islands have also been reserved.

18. It has been represented to us that in these reserves there is a certain amount of good milling timber, and that if it was cut out it would not affect the values of the reserves?—There may be some sawmilling timber, but usually it is back a bit. The sawmill-area could be tapped if a tramway was put in under strict conditions.

19. Do you think it would be wise to allow the reserves to be thrown open for that purpose?—In some cases I think they could be thrown open without any harm. It is a disputed point.

20. Some people consider that the scenic beauties are a very valuable asset to the island, and some, on the other hand, would rather get a profit from the timber.

21. *The Chairman.*] What is the class of timber?—Rimu.

22. *Mr. McLennan.*] Is there much land surveyed already?—Yes; a lot of blocks are surveyed into 100- and 150-acre sections.

23. Do you not think 150 acres too small a section for bush land of that description?—They generally find that enough. If you want to run cattle you require more.

24. Do you think it would be advisable to sell these blocks for cash and under occupation lease with the right to purchase and under lease in perpetuity in order to give a chance to all?—Yes; but I do not think there is much demand for the lease in perpetuity.

25. *Mr. McCutchan.*] Is this newly settled country satisfactorily roaded?—We are doing a little every year. We want more roads.

26. What is the rate revenue of your county?—About £120.

27. Are you utilising the "thirds" from the land that is settled for roading purposes?—Yes; they do not amount to much.

28. You think it would be a wise thing to settle the land under the three tenures?—I think either granting the freehold or leases with a right to purchase the most suitable.

29. Would you advocate the option of purchase being given to the 999-years leaseholders by paying up the 1 per cent. additional?—I think so.

30. Would the 999-years lease be considered satisfactory then?—Yes.

31. *Mr. Anstey.*] Under what tenure are the sections in the town held?—Leasehold.

32. Has there been much attempt to sow this land with English grasses?—A fair amount has been put down in grass, which takes well if you get a good burn. It does not last well.

33. What sort of grass do you sow?—I sow a mixture. I find cocksfoot and white clover and rye-grass take best.

34. Is there much area of land in Stewart Island suitable for moderate-sized holdings of 400 or 500 acres?—There is a good deal of the kind southward.

35. It would all require a good deal of expenditure to fell the bush and clear the land?—Yes.

36. Can you tell me what is the nature of the land in the interior where the country is open?—It is very wet and mossy.
37. Will it take grass?—No; I tried some of it. In the first few years it had a beautiful sole of grass, but after that it went back to rushes. I do not think it is worth draining.
38. Is it ploughable?—You could plough the open land, but it is very wet and soft.
39. Then, it is not suitable for settlement just yet?—No.
40. *Mr. Johnston.*] Have you been all over Stewart Island?—Over the most of it.
41. Which part do you know best?—I have been over the swamp land, and I have been in the bush at different places. I have been over the hilltops at both sides. There is no open dry tussock land.
42. Are all the bays as pretty as this one?—Yes.
43. Do you not think it would be a great sin to cut the timber in that case?—I have always advocated that the timber should be preserved for scenic purposes.
44. What is the general size of the trees cut by the sawmillers?—They are 2 ft. to 3 ft. through and about 30 ft. long.
45. Do you not think, seeing that unless you get a good burn your grass does not come, that it is a pity to cut the bush at all? Do you not think it would be better to keep it for tourist purposes?—I think a great deal of it ought to be kept for tourist purposes.
46. *Mr. McCardle.*] Would it not be better to push on the settlement in the portions suitable for settlement and save any good scenery you have along the coast?—Yes; I would never advocate blocking settlement.
47. You have pointed out that your funds for road-making purposes are very small?—Yes.
48. Do you not think your rents should go for a number of years towards making roads for the settlers to supplement the rates you collect as a county?—Yes.
49. You have expressed yourself as in favour of the lease with the right of purchase, and also buying for cash?—Yes.
50. Are you aware that the Act as it now stands gives the settler the option of taking up land under the three systems?—Not over the whole of the island.
51. *Mr. Matheson.*] Do you feel that if a settler took up 500 acres, and tried to clear and grass it, it might be too much to handle—it might be in danger of going back into scrub?—I feel if I did that I would not be doing it for myself, but for my children.
52. Do you think a man with an ordinary family could by careful grazing keep it in grass?—Yes; but he would not get any return for a year or two. A poor man could not take it up.
53. Really, you think it would be wiser to take up only 250 acres?—Yes.
54. *The Chairman.*] I suppose you have young men coming forward in this island?—Yes.
55. Is there a tendency for them to leave the island, or do they settle here?—They stop and go in for fishing, but hardly any of them go in for cultivating the land.
56. It has been thought that if more land was opened under the homestead system—that is, giving the land free—more young men might be induced to take up land: do you think that is likely to happen?—I think it would if you found suitable areas.
57. You think that if the land could be selected along the coast-line where farming could be combined with fishing it might work well?—I think it would, but I have not seen many show any inclination to do that.
58. Is the population of the island increasing very much?—It increases slowly. It fluctuates a lot according to the number of sawmills.
59. I do not suppose there is much increase owing to people coming here to settle?—Not much. A few are making homes for the summer.

WILLIAM ROBERTSON examined.

60. *The Chairman.*] What are you?—I am farming 500 acres by Horseshoe Bay.
61. Your land was originally bush, and you have much of it now cleared?—Yes; I should say about 60 acres pretty well cleared and in grass. It is held under perpetual lease. There is a bridle-track connecting it with Oban, but it would never be practicable for wheel traffic; it will be practically useless until it is metalled. What is retarding any more sections being taken up at present is that any one who wants to take one up is forced to take it up under the lease in perpetuity. We have not got the optional system now. Since the optional system was stopped only two sections have been taken up, and I think there are only five sections on the island which have been taken up under perpetual lease in twelve years. Out of the first thirty or forty sections that were taken up I think only two sections were taken up under perpetual lease; the others were all taken up under the occupation with right of purchase. My brother took up a section under perpetual lease, and he is sorry that he did not take up land with the option of purchase. When I took up my land I had some idea of the nationalisation of the land; but, after twelve years' experience, I think now that a man ought to have a freehold.
62. Do you find much difficulty in getting your grass to take?—I find difficulty in getting burns; but if the bush land is cleared properly it will grow very good grass. I have one paddock of 20 acres, and I run sixty sheep on it all the year round, and I have no turnip or winter feed.
63. What breed are your sheep?—Half-bred. We had 100 per cent. of lambs this year.
64. How much wool do you clip per sheep?—This year and last year my wool just averaged 5s. a fleece. It was a better price this year, but the wool was not heavy for some reason or other.
65. I suppose 8 lb. a sheep?—Yes.
66. Do you sell any of your surplus sheep? I suppose it is all used up in the settlement?—I have not sold a great many sheep yet. I am increasing my flock. I have cattle as well. One of the principal difficulties the settlers here have is that it is difficult to dispose of cattle, because the steamer accommodation is not suitable for sending cattle away. If you want to send a few cattle away you have to make special arrangements, which cost you £2 10s. a head. If the Government

could do anything towards giving us a market here, say, twice a year, so that the settlers could drive them in, the Government arranging to take them away for us, it would be a great blessing to us.

67. *Mr. Matheson.*] Have you any fear of the area cleared going back into scrub, or can you keep it under grass?—I think the 60 acres under grass is safe. The worst thing I find is a kind of fern, which I call "the nuisance fern," which grows up round the stumps and gradually spreads over the grass.

68. Have you tried killing the beef and taking it to the mainland?—We cannot sell it, because it is not killed in the Government abattoirs.

69. Did you try it before the Slaughtering Act was passed?—No, because I have a butchering business myself here.

70. *Mr. Forbes.*] What is your objection to the lease in perpetuity: do you think it interferes with you working the land?—I cannot borrow on it if I wanted to.

71. The land is always yours as long as you pay the rent?—Supposing a man has a section the same as I have, and has worked on it most of the time for twelve years: if he has a bad market for his cattle and his rent becomes due, if he was on the mainland he could drive a few head to market and sell them, and thus pay his rent, but here he has no market for them.

72. You find money-lenders would sooner lend money on the lease with the right of purchase than on lease in perpetuity?—As far as I can see, they will not look at the lease in perpetuity.

73. *Mr. Paul.*] Do you consider 500 acres is too much or too little?—I think a man wants that area, because he wants, in the first place, to fence it and get the benefit of the native bush to bring him in something. You can always run a certain number of cattle into the bush, and then you can go on clearing. If you take up a small section you cannot run a great number of cattle on it, because the native bush will not carry much to the acre.

74. Would you have been able to take up the land if it had been freehold?—No.

75. *Mr. McCutchan.*] With reference to roads, do you find that land is of any use without reasonable access?—No; we want roads.

76. You took up your land twelve years ago?—Yes; and, although the road has been partly made, until it goes right through it will be of very little use to me.

77. Was your land taken up before the loading system was introduced?—Yes.

78. You have utilised your "thirds" during those years?—Yes.

79. Have you ever attempted to get loans under the Loans to Local Bodies Act?—No; I find my rent is quite enough without any more loading.

80. Do you fence and clear as you are felling the bush, and is it not possible that the cattle go away into the bush and neglect the clearing?—If you clear properly in the first place, and fence it and keep it well stocked, I do not think it will go back into scrub. What has gone to scrub has been caused by the fact that the scrub has never been killed by the fire. Supposing you cut down a lot of small stumps, the plants come up again unless the fire has taken them.

81. Your opinion is that good land here is suitable for settlement, and can be made a success?—Yes; there is a lot of land very suitable for settlement. The whole of the sections would have been taken up if they could have been taken up under the occupation with right of purchase.

82. *Mr. Anstey.*] Do you think it would be any use for the Government to make a special effort to increase settlement in your neighbourhood by offering more favourable terms?—I think 5s. is quite enough for it.

83. Supposing the rent was the same, and they devoted the half of it to road-making instead of taking it all, would that meet your objections as to the market, for instance?—That would make a lot of difference.

84. What is your particular objection to the lease in perpetuity? You understand that your rent is now fixed at 4 per cent., and if you had the right of purchase you would pay 5 per cent.?—Yes; but I took up the land at 10s., and they have reduced sections to 5s., but they have not reduced mine.

85. That does not explain your objection to the lease in perpetuity: you are not likely to have all your land cleared during your lifetime?—Individually I have not any objections to the lease in perpetuity, but simply say that the bulk of the people on the island want the occupation with the right of purchase. The fact that only two sections have been taken up under the lease in perpetuity shows that.

86. The rent you are paying is on 10s. an acre, and the others are paying on 5s.?—I pay 6d., and I would pay more if I held the land under occupation with right of purchase.

87. That is really not much more than paying rates and taxes under the freehold?—I have rates and taxes to pay just the same.

#### EDMUND PLEASANT examined.

88. *The Chairman.*] What are you?—I am a settler, and have 295 acres in one section under lease with right of purchase. It is on the main road one mile from the wharf. I have held it three years. It is all bush, but I have cleared 60 acres, and there is a small area in grass. I run cattle on it. I live in the town.

89. *Mr. Matheson.*] Do you find the grass is holding well?—Yes.

90. Have you no sheep?—I am going to get some at the "fall."

91. Have you any ragwort?—No.

92. You have been there three years and have 60 acres in grass, so that before many years you hope to clear the whole of it?—Yes.

93. Do you find that the old grass holds as the bush is driven back?—Yes.

94. *Mr. McLennan.*] Is draining any benefit to the grass?—The ground is all broken here, and there is no real good in draining.

95. I was over some of it this evening and found it very wet and mossy: is it all the same kind of ground?—The ground is mixed. You may get good land in one place and a chain away the land may be no good at all. It is terribly mixed.

96. *Mr. Johnston.*] Is it patchy all over?—Yes.

97. Then, it would be perfectly useless felling the bush on this peaty ground?—The grass will grow if the top is chipped.

98. What grass do you sow?—Cocksfoot, rye, and clover.

99. Does rye do well here?—Yes, on the black soil, but not well on the peat.

100. You have 40 acres of grass?—Yes.

101. Is that what you make your living on?—Not up till now. I have just given up the fish-packing business, which I have carried on up to the present, and I intend now to make a living out of the farm.

102. *Mr. McCardle.*] You have a lease with the right of purchase?—Yes.

103. Is that the tenure you prefer?—Yes. I think under any other system on this island it would be a mistake. I think purchase for cash would be a mistake.

104. *Mr. Johnston.*] You do not approve of the right of purchase at all?—I do, but not under the cash system unless they are forced to put on the improvements. It is those who own land on the island and who are not making any improvements who are keeping the island back.

105. *The Chairman.*] Are there any absentee proprietors?—Yes, a number. I think people who take up land ought to be made to clear it. We who live here pay rates and taxes, and they simply take up the land and make a nominal payment on it.

106. *Mr. Matheson.*] Has it not struck you as a county that if you brought in the system of rating on the unimproved value you could make those people pay equal rates with yourselves?—I think those who do not improve ought to pay rates.

107. *Mr. Forbes.*] If you rated on the unimproved value you would get at them?—Yes.

GEORGE SWAIN examined.

108. *The Chairman.*] What is your occupation?—I am a sawmiller. I also hold some land at Oban—I am sawmilling on the land I hold.

109. What is your tenure?—Occupation with the right of purchase. I have 430 acres in all.

110. How far are you from this place?—By water four miles, and by track seven miles and a half.

111. Have you cleared much of your land or grassed it?—I have cleared and grassed some.

112. Have you any remarks to make about sawmilling or the terms under which you carry on your sawmilling business?—I have a few remarks to make in regard to scenery. People are apt to go away with the idea that sawmilling spoils the scenery. That is all rubbish. The sawmiller does not wish to interfere with the scenery. We only open a small gap where we go in to plant a mill down. We do not interfere with the outside of the bush, and we only take the big trees. The tourists get into the bush on our tracks and trams. They do not hang about the scenery on the coast. They flock into our bush and they see what they would not be able to see if the tracks had not been opened up by the sawmiller.

113. They get access to the bush by your opening it up?—Yes.

114. And in your wet climate there is no chance of the litter of branches you leave behind catching fire?—No; and it is soon covered by different scrubs, many of which did not grow there before. So far as the land is concerned, I think a mistake was made in granting such large blocks within a radius of three miles from this place. I think that land should have been cut up in 10- and 15-acre blocks, and then those in the fishing and other occupations could have taken them up and cleared them properly by hand, and made a thorough job of the work. It would take a lifetime to clear a block of the land of the size I hold. The best land I own I cleared and stumped by hand, and it will grow anything.

115. *Mr. Forbes.*] Has the timber been cut out on the near ground?—Yes; all that bush has been worked out and still the scenery is good, and you can get to it through the old tracks.

116. Do you think this large reserve for scenic purposes will interfere with the sawmilling?—I do not think so in this case. There is not much sawmilling timber in it.

117. There is plenty of timber still available without going back into the scenery reserves?—Yes. The beauty of the island is in the bays and inlets, and the sawmilling timber is back on the hills, where the tourists never go unless there are tram-tracks through it.

118. *Mr. Anstey.*] Do you think it would be a wise thing to reserve still larger areas for scenery?—I do not think it is necessary.

119. You do not think it would be wise to shut up the whole island for scenery?—Not unless it was put in a glass case.

CHARLES ROBERTSON examined.

120. *The Chairman.*] What is your occupation?—I am a sawmiller, and I hold 410 acres of land under lease in perpetuity. I have held it for eight or nine years.

121. What improvements have you effected during that time?—My land is open principally. It is river-flats, about nine miles from Oban. I wish to say that, as far as that land is concerned, the land along the river-bank and in tussock takes artificial grasses well. The terrace land takes it exceptionally well if you get a good burn. I have 40 acres of that land that has been down in grass for six years, and it is still holding well. It is down in white clover, cow-grass, timothy, cocksfoot, and a little fescue.

122. Have you any cattle?—Not yet. I am going to get some this year. Up to the present I have had very bad access by land. There is a large area surrounding my land available for settlement which would take grass equally well. The Government have made a drain there, and where the land is drained grass takes well.

123. *Mr. Forbes.*] You are satisfied with your lease-in-perpetuity tenure?—I am personally.

124. And you would like to see people settled around you?—Yes.

125. You realise that under the lease in perpetuity a settler will remain, whereas when under the occupation with the right to purchase people can sell out?—I have no objection to either of the tenures. I think the whole three are good.

126. Do you not think the lease in perpetuity is better for keeping settlers on the place?—I doubt it.

127. *Mr. Anstey.*] Is there any reason why the large quantity of land you refer to has not been taken up?—Some of it has been a run.

INVERCARGILL, SATURDAY, 25TH FEBRUARY, 1905.

DUNCAN MURCHISON examined on oath.

128. *The Chairman.*] What are you, Mr. Murchison?—A farmer on the Orawia Settlement, Merrivale.

129. What area do you hold?—183 acres.

130. How long have you been there?—Nine years.

131. What tenure are you under?—Lease in perpetuity.

132. Is there any particular point you wish to give evidence on?—There is one point about the loading that I would like to explain to members of the Commission. At present we are paying rates on the valuation of the roading and of the ground on which these roads are made. The roads have been included in the estate. The roads were not roads originally. They had been surveyed and formed to give access to the settlers; and there was a sum of £3,300 set apart for the purpose. The sections are loaded for that amount, and we are paying county rates and charitable rates on it. It is an anomalous position. Under no other land-tenure is such a thing done, as far as I know.

133. The money has been expended on the roads?—Yes. What is worse, we are paying county rates as usual, as other settlers are doing, and we get little in return. The county member comes and looks at the roads, and says, "You have no need for roads," but we are rated all the same. The amount we are paying that way, and which we should not pay, for loading of roads is £17 17s. over the whole block. That goes to the County Council in the way of rates. I may say that I am not speaking of the 5 per cent. at all just now. This is a matter that should certainly be rectified. The next point is as to the freehold. I am strongly of opinion that the system should be altered to give the option of purchase. It would give the settlers more heart to farm their land properly. Some persons who have leased sections in good order and without weeds say, "I will take all I can out of it," and when it is cropped out they throw it up. As the Act stands now, there is nothing to prevent it.

134. Except the regulations?—Certainly, that is so, but it is not easy to enforce the regulations. I also think that the rental should be 4 per cent. to be the same as the Crown land. Some years ago we sent the Minister a petition, and got it reduced by  $\frac{1}{2}$  per cent., provided we paid within one month. I think, however, that the concession we asked for should be given. I entirely approve of the month, because I think it makes the people pay up in time.

135. You think it is unfair that you should pay 5 per cent. on the £3,000?—Yes. I may also say that I think a sinking fund should be made in that case.

136. You think the settlers would agree to pay off the £3,000 by a sinking fund?—I think it should be written off, because on the Merrivale payment there is a sum of £4,000 of profit at present, and the one should go against the other.

137. *Mr. McCutchan.*] You think the rental should be reduced to 4 per cent. to be the same as the Crown tenants pay under the Act of 1892?—Yes.

138. Why are you of that opinion?—Because they would be on the same footing as other settlers.

139. I think you are under a misapprehension. You evidently apprehend that the Crown tenants, under the Land Act of 1892, pay 4 per cent. on the State expenditure?—That is so.

140. That is a great mistake. The Crown in some cases are making 8, 12, and 20 per cent. upon the net cost to them on the waste lands out of the Crown tenants?—I always understood it to be the other way. The tenant under the original Crown lease pays 4 per cent., provided he has not the right of freehold. If he has the right of freehold he pays 5 per cent.

141. Is it 4 per cent. on the capital value fixed on the land by the State?—Yes.

142. *Mr. Forbes.*] You say that some holders of lease-in-perpetuity sections take as much out of them as possible and then throw them up: is that the class of men you are living amongst?—I know an odd one or two who would do that, but there are not many of them there at present. They soon come to an end; but I have seen cases of the kind.

143. That is the way they farm leases in perpetuity in your district, is it? Are they allowed to grow weeds, and so on?—Oh, no. I only wished to say that I knew of casual cases.

144. The man overcropped and allowed weeds to come?—I know they told me that they intended to take land up and crop it until they had taken all they could out of it, and then they would leave it.

145. A man like that is not a decent sort of settler?—No, certainly not. It is difficult, however, to prevent it under the Act, and I contend that if you gave the right of purchase a man would not work them that way. He would be encouraged to improve his land. At present if we want to sell we find that, having no option, people do not care about buying.

146. You prefer the occupation with right of purchase, so that you would be able to sell more freely than under the lease in perpetuity?—Quite so.



147. *The Chairman.*] You have alluded to the possibility of settlers taking everything out of the land then leaving it: have there been cases of the kind on the Merrivale Settlement?—Yes, I think so.

148. Generally, however, your settlement has been a success?—Yes, it is a success; but I reckon it is the class of settlers that has made it a success.

149. And it is good land?—Yes.

150. You object to pay county rates on the £3,000?—Yes. It means there is a sum of about £18 being thrown away.

ALLAN McDUGALL CARMICHAEL examined.

151. *The Chairman.*] What is your occupation, Mr. Carmichael?—I am a farmer in the Lillburn Valley.

152. How much land do you hold?—3,600 acres.

153. What tenure are you under?—Freehold. I may say I am the only freeholder in that district. When the land was first taken up certain scraps were left of an inferior sort, and I bought them.

154. How far are you from the Waiiau?—Four miles from the bridge and three miles in the valley.

155. I suppose you work the land as a run?—Yes; I have some birch forest on it, and there is some broken ground too.

156. Are there some flats?—Yes, but they are very narrow. It is country like the middle of Hawke's Bay.

157. Is there any particular point you would like to emphasize before the Commission?—I simply wish to say I know it is the general desire of all my neighbours to obtain the freehold.

158. They are under lease in perpetuity?—The greater portion of the land was taken up under that system, but between one thing and another they surrendered.

159. They surrendered the lease in perpetuity?—Yes. Then, I think, without exception, they took it up again on the occupation-with-right-of-purchase system. There was no opposition to them. They felt somewhat aggrieved with the Government—with the powers that be—for having loaded their lands. The sum of £8,000 was borrowed under the Loans to Local Bodies Act to make a bridge at Clifden, and the money was expended on roads, and not too wisely expended. Afterwards I think the Government made up for it by giving a special grant to put up the bridge, which is the life of the place.

160. That grievance has pretty well worn away now?—Yes. There is another grievance among some of the people, and that is that being far away the holdings are too small.

161. There is very little dairying, is there?—The Merrivale Settlement has two dairy factories. One is upon the estate and one immediately adjoins it. I must say that the people have been very persevering. I believe it would be a benefit to the country if the settlers had the option of purchase. It would not create any revolution in the money-market. I believe it would give settlement an impetus. People would have a greater interest in the land. With regard to weeds, I would like to say that it is quite possible to keep within the law and yet let a farm go wrong.

162. You mean that they may not wilfully do it?—They may not wilfully do it, but they may do it neglectfully or unskilfully, whereas if the land was their own they would take more interest in it. There is one thing more with regard to the Land Boards: I think that to depart from the nominating of them would be foolish. An elective Land Board would not work at all. You do not know what influences would creep in. A part-elective Board would be worse than all. In that way you would be putting, as it were, conflicting interests on the Board, and it would be a bear-garden. My experience here tells me that our Board has been a Board of hard-headed men. I believe, however, it would be acceptable to the people if there were an elective tribunal of some kind to act as an appeal Court, so that when the interests of the landlord and tenant conflicted the matter might be looked into by that body before forfeiture was made.

163. At present the Minister may be appealed to?—Yes; but I do not think that is satisfactory. The Minister must be guided by the Board and by the Commissioner of Crown Lands. The Chairmen of the County Councils with the Stipendiary Magistrate could form a body of the kind. It might not answer to take the Chairmen who are now in office, but if it were known to the people that these Chairmen were going to act on this appeal Court they would take an interest in the election. The election might take place triennially under the electoral roll. My idea was that the Chairmen of the Southland County Council and the Wallace County Council, with the Magistrate to guide them and the law, might be a satisfactory Court of appeal. It is not satisfactory to send all matters to Wellington, and I am sure that to most people it would be more satisfactory if there were an impartial body to settle disputes.

164. But the Land Board is impartial?—Yes, that is so; but with the interests the Government has now in the country through the purchase of estates I think it must be to some extent on the Government's side. If they were coming in conflict with a Crown tenant and it was necessary to eject that man, the case might be referred to the appeal Court.

165. But ejections are not likely to take place?—You do not know when they might happen; and therefore there should be, as I say, a Court of appeal to settle grievances against a Board, because the Board must be acting in the interests of the Crown.

166. Not necessarily?—Of course, I admit they will do justice; but they will have that tendency, because of the amount of money that is being invested in land by the Government. I think they must to a certain extent be inclined that way.

167. The elective principle would come in in the same way by your appeal Board, although they would not be elected by the popular vote?—They should be elected as Chairmen under the electoral roll, so that the electors as well as the ratepayers could have a say in the appointment of them.

168. It would not be quite consistent with the nomination system to have the reviewing Board, which would be an elective body, reversing the decision?—But the Magistrate would also be a member.

169. At any rate, you think there should be an appeal Board?—I cannot say it is exactly that that I mean, but I think that there should be something in that form.

170. *Mr. McCutchan.*] The idea of a necessity for an appeal from the decision of the Land Board is an acknowledgment that the Land Board is not representative of the various interests under the Land Act?—Not at all. I only want to use it for contingencies that may arise. I do not care what Board it is, there will be some times when everybody is not satisfied, and it would be reassuring to the Board before they take any harsh step that another body elected by the people should ratify their actions and say that they are right. I do not wish to reflect on the Boards. I believe the members of our Board would not do an unjust action to anybody. I think, however, it is necessary that there should be, as it were, a safety valve. I do not care what Board it is, I think that to have the system complete, especially as the Government's interests are becoming so extensive, it would be well to have something in the nature of an appeal Board.

171. You think the Board as elected at present is thoroughly representative of the various interests, and that there is no likelihood of danger from any departure in the future?—I do.

172. You think the Government would represent the settlers?—I am not dealing with the Government. I am talking of the Boards as they are constituted now. I do not know that they have ever taken harsh steps, but I do not know what may happen.

173. *Mr. Johnston.*] In your district are the settlers satisfied with their conditions of life and tenure?—Yes; generally speaking, they are. I do not know that there is anything particularly wrong. Wool is a good price, and sheep are selling well.

174. They are making comfortable livings?—Yes.

175. They are doing well?—Fairly well. They are not doing very well, but they are comfortable. They are making both ends meet.

176. *Mr. Matheson.*] Your neighbours took their ground up at first under the perpetual lease with right of purchase?—Under the lease in perpetuity, and then they surrendered and took up occupation-with-right-of-purchase leases.

177. Then, they have the right of purchase?—Yes, those people who are adjoining me have it. There are others not far away from me who have not the right of purchase.

JOHN DRISCOLL examined.

178. *The Chairman.*] Are you a farmer, Mr. Driscoll?—Yes, at Mataura.

179. How many acres do you farm?—210 acres.

180. Under what tenure?—Under lease with a purchasing clause.

181. How long have you been there?—Eight months.

182. Did you purchase from a private individual?—Yes, I bought some one out.

183. Do you desire to bring some matters before the Commission?—I wish to say that, although I am under that tenure, I was for eight years on a settlement at Highbank, in Canterbury, where I had 73 acres. I sold out my interest there to get a larger holding. I am not at all in favour of the holding I have now. I would have been happy to get another holding from the Government at Edendale, but I found that the restrictions the Board had were quite different from the system in force when the land was taken up at Highbank.

184. At Highbank you were under the lease in perpetuity?—Yes; but in this case applicants were to be examined. Before it was quite open. Only for that I would have been a Crown tenant.

185. You sold out before you came down?—Yes, I came down and asked if I would be exempt from examination. But they said they could not exempt me, and, as that would not suit me, I had to take the first offer that was open to me. I may say that the lease in perpetuity is the best tenure any one could have, because the money you have to pay out to procure land could be better employed on the farm, and better returns would be obtained.

186. You sold out at Highbank to advantage?—Yes. The Government bought that land at £6 10s. an acre, and it is fully double that value now, so that the Government is safe in buying land in the way they acquired that estate.

187. *Mr. McLennan.*] You prefer the lease in perpetuity to the freehold?—Yes.

188. *Mr. Anstey.*] You sold out to advantage?—Yes.

189. At the price you sold you got value for your improvements and something for goodwill?—Yes.

190. You had no difficulty in selling?—No. I would also like to mention this: Under the lease in perpetuity any one can get an advance independent of improvements, so that a tenant is better off under it than under any other tenure, or, at any rate, he is equally well off, because the merchant would advance money as long as the tenant held the lease. I do not know if it is legal.

191. You had no difficulty in selling out your interest in the leasehold?—None.

192. Could you have disposed of your interest in a freehold easier?—Very probably I could have sold the freehold too. There would be the same facilities for selling a freehold.

193. *Mr. Forbes.*] You are a Crown tenant?—Not at present.

194. Have you any objection to the way that the Land Boards are set up at the present time?—I think it would be only justice to the settlers if they had a voice on the Board so that any grievance they may have could be brought forward by their member.

195. You think it would be more satisfactory if there was a representative of the Crown tenants on the Board?—Yes.

196. *Mr. Matheson.*] Do you think a satisfactory manner of appointing that member would be for the County Councils to have the nominations of suitable men and the Government to be bound to appoint one of their nominations?—I do not think the County Council should have any say in

the matter. The land belongs to the Government. The tenants are the ones who should have representation, and not the County Council.

197. *Mr. Hall*] You think that the Land Boards as at present constituted are satisfactory, but they could be improved by one man being elected by the Crown tenants?—Yes.

198. As a medium between the Crown tenants and the other members of the Board?—Yes, that would make it satisfactory.

199. *Mr. McCutchan*.] I understood the witness to say there was no difficulty in getting money upon the lease-in-perpetuity tenure even when no improvements had been made?—Yes.

200. What is your warrant for making that statement?—I had a neighbour at Highbank who was in difficulties. He wanted implements for his farm and took his lease to town, and was able to obtain £110 on the face-value of the lease.

201. It was on the unearned increment he got the advance?—No doubt.

THOMAS LYONS OSWIN examined.

202. *The Chairman*.] What are you, Mr. Oswin?—I am the officer in charge of the Government Advances to Settlers Office and the Government Valuation Office.

203. Would you like to make a statement to the Commission?—There are one or two matters that I would like to mention. As regards the work of the Valuation Office, I would like to say that nearly all the valuations made for rating in our office are based on the valuations of 1897—certainly it is so in country places—since which time revaluations have, of course, been made from time to time. As regards Crown leaseholds that come under the notice of the Department, there has been an increase in value over that at which the tenants took them up. Some are large, and some are trifling. I took a note of one from the roll this morning, which I will show to the Chairman. I do not wish to mention any names. In this instance the valuation to-day is four times as large as the original valuation of the land.

204. The owner's interest was £277 in 1888, and now it is £1,118?—That is the interest that has accrued to the lessee. It is the goodwill on which one witness said money was lent. As regards the unearned increment on Crown leases, it is fairly marked in the Matakanui Riding, in the Vincent County, which is under this office. Principally on account of the Otago Central Railway now tapping that district, some of the leases, which vary from twenty years down, show double the value that they were taken up at, with the result that that extra value accrues to the lessee. I have not taken out any examples, as I understand the Valuer-General is collecting examples for the whole colony. In reference to Matakanui, there are approximately two hundred and thirty assessments, and there was only one objection from a Crown tenant. The increase in land-value is 40 per cent. higher than in 1901.

205. The railway is there now?—The railway, no doubt, adds largely to it. As regards the Advances to Settlers Office, there are two points I would like to refer to. On Tuesday the Commission dealt with the case of G. R. Hilton. I do not know what valuation he stated he had—I think it was £600. The Department's valuation of those improvements was £220, and the house was not then completed. Mr. Hilton was firstly declined for £100, which he applied for, and then he was offered £75, which he took up. Then, there was the case of Mr. O'Connor, who also gave evidence before the Commission. It might have seemed that he applied for a loan on 750 acres. That was not the case. Mr. O'Connor really applied for a loan on 400 acres, and instead of the improvements being £265 they were found by the valuer to be £155. A £70 loan was declined. When the valuer went there he found no buildings on the ground. Mr. O'Connor had removed them to another Crown lease section adjoining. I merely mention these two cases to let the Commission weigh the evidence accurately as regards settlers borrowing from our office. I heard a witness state to-day that in the district in which he lived at one time some money was lent on the unimproved value or the goodwill. I do not think our Advances to Settlers Board would lend on that. No doubt a value does accrue. There is one other point that may be brought before the Board: Within the past few months perhaps a dozen settlers have come to the office under the impression that they could borrow on leases which had not run for one year. Section 85 of the Act provides that they cannot do so. It seems from what some of these settlers told me that they were temporarily embarrassed financially. I do not know where they got the idea, but they came from the same locality. Some were building and incurring liabilities on the prospect of borrowing from the office, but they are all in the same position, because none can borrow. I have mentioned two cases of loans that have come before you. I do not know what other cases have been brought before the Commission, but some people may have the same idea that this person in Canterbury had—namely, that they borrow on the unimproved value, and that is to an extent how they are disappointed. Some of them, of course, have an interest in the unimproved value, varying up to a £1,000. I went through our mortgage register the other day, and I find the total number of mortgages on leasehold lands to be 176. The bulk of them may safely be taken to be Crown leases, because the restrictions in the case of other leases almost invariably shuts them out. The conditions either provide for absolute forfeiture, which is a bar to getting a loan, or the lease may not include full compensation for improvements, which is the case in regard to leases under the School Commissioners. That is all I have to say to the Commission.

206. In lending upon a settler's improvements is there any definite limit that you lend up to?—The Department is entitled to entertain an application for a loan up to half the value, not being on the settler's value necessarily, but on the valuer's report. Of course, the Board reserves to itself the right to decline or to reduce the loan.

207. And if it is not giving away some confidential information I should like to ask you this question: Settlers all complain that no reason is given why a loan is refused: is the reason sometimes not only that there is not sufficient security, but that there is not sufficient means at the disposal of your Board?—I cannot answer that. The matter is wholly decided by the Board in Wellington.

208. *Mr. McCutchan.*] In every case where an application is made for a loan is your valuer sent out?—No. Where we see that a man has no improvements we tell him that his application cannot be entertained. Of course, some people come in with very vague ideas as to what they may borrow upon. One man came in and wanted to borrow on the Crown-land value, and so looking forward to the freehold he thought he could borrow on that. You see, £25 is the minimum limit which the Board lends, and if the person cannot show £50 in improvements and the valuer is handy and I consult him, we generally tell the applicant that it is no good proceeding with the proposal. The Department does not want to take any one's fee when there is no chance of the loan being considered.

209. When an applicant makes an application for a loan you question him in the office and if there is no security you do not send the valuer out, but in cases where application is made to you for a loan and the settler tabulates his improvements do you always send a valuer out?—We are guided largely by our rolls which I mentioned under the Valuation Act. We have all the valuations, which are more or less up to date, and if the valuation bears a recent date that is accepted in preference to the tenant's estimate. When the valuation is two years old or so and the tenant says he has been making further improvements we send a valuer out after taking his fee.

210. There have been several cases where the amount of loan applied for has been well within the limit allowed by law and you have only advanced up to about 33 per cent. : can you give me the reason?—I cannot say what the reason is; but the Board has the local valuer's report, and also the Crown Lands Report, and the matter is in their discretion altogether.

211. In making loans you said that the goodwill in any case is taken into consideration?—I stated I did not think that the Advances to Settlers Board would lend on the goodwill. It is taken into consideration in a manner, but I do not think the Board would lend money on it. Of course, it gives the lessee a considerably greater interest in his property, and he might be less likely to leave his security if he thought he could get something for the goodwill.

212. Do you not think that independent of that the fact of having 50 per cent. over and above your maximum advance is sufficient security?—I would sooner not express an opinion.

213. *Mr. Johnston.*] What are the boundaries of your district?—I do not know the boundaries without a plan.

214. How far north do you go?—To the extreme northern point of the Vincent County, which, I think, touches Canterbury.

215. Can you give us the number of applications that have been refused on Crown leaseholds within the last three years, and a list of the advances made on leasehold property also?—I will endeavour to get the information for you.

216. Do you send any confidential report to the Board in Wellington?—Of course, the valuer sends his report, in which he embodies anything that he knows of the character of the applicant—whether he

217. I thought you would discuss the matter with the official head of the Land Board and ascertain the character of the tenant irrespective of his security?—All our office gets from the Land Board is a report as to the state of his improvements when they were last visited, and the Ranger frequently states what he thinks the security would carry in the way of a loan.

218. *Mr. Paul.*] I understand there are 176 mortgages on Crown leaseholds?—I think the majority are Crown leaseholds. I can get you the information.

219. *Mr. McLennan.*] Does the Board take into consideration the character of the applicant quite independent of his improvements?—I think the improvements are the first consideration, but the question is always asked as to whether the applicant is considered a satisfactory mortgagor.

220. And whether he is likely to be a resident, or is only there to improve his place to a certain extent and then sell out?—That, of course, is taken into consideration. That may be the reason why some Crown tenants complain so bitterly. A single man may want a loan, and then when he has overcropped his place he clears out.

221. *Mr. Anstey.*] Will you make it quite clear as to what securities your Department lends on. You say you do not lend on goodwill or stock, but that you will lend on buildings and other improvements of a fixed character?—That is so. We do not lend upon stock or implements, and I do not think the Board will lend on goodwill. It is really on the fixed improvements for which the tenant is entitled to compensation.

222. *Mr. Forbes.*] It has been stated by Crown tenants that the Ranger has told them that the Advances to Settlers Board do not look with favour on the lease-in-perpetuity tenure, and that they prefer the other tenures with the right of purchase?—I think if a Ranger made any such statement it is quite without the direction of the Superintendent. I have never known the Superintendent to intimate anything of the kind to me.

223. You reckon the Ranger stated that on his own authority?—Yes.

224. So far as you know, the Department does not prefer the lease with right of purchase to the lease in perpetuity?—No.

225. In arriving at a valuation do you take into consideration the tenant's valuation as it appears on the rating roll?—The valuation on the rating roll is not reliable, for this reason: it might be two years old, and might be neither fair to the tenant nor to the Department to accept a valuation two years old, even if it was legal to do so which it is not. The law provides that every application must carry with it an up-to-date valuation.

226. Do you take into consideration for the advances-to-settlers value the same things and improvements as for the local rating value?—It is on the same principle, but with this difference: Under the Government Valuation Act, under which the rating rolls are framed, the Department is entitled to alter the land-values only at stated periods. If in the interim a man comes from one of these districts for a loan his valuation is made, and until that district is again revised his valuation remains in what is called the supplementary roll, and is not used for rating purposes until that district is revised. It may remain on the supplementary roll for two or three years.

227. It is taken on the same basis for both?—Yes.

228. Then, a tenant could reasonably suppose in applying for a loan that half of that value would be advanced?—He could take it as being fairly close, unless it has been altered by the improvements being removed or added to. But the Board would have to get a new valuation.

229. *Mr. Matheson.*] A property is valued, and there is the capital value, and that is divided into four parts—the lessee's interest in the unimproved value, and the owner's and the lessee's interest in the improvement, and the owner's interest: is it on the lessee's total interest that the Board can lend 50 per cent., or only on the improvements?—The Department is entitled to consider an application to borrow up to 50 per cent. of the improvements.

230. Does the law not give them power to lend on that value which appears as the lessee's interest in the "unimproved" column?—I think it is a matter at the discretion of the Board.

231. *Mr. Forbes.*] The Government taxes you on the goodwill?—Yes.

232. But will not lend money on it?—It does not say so in the instructions.

233. *Mr. Matheson.*] I would like to ask if you can get us the number of cases where the loans advanced have been less than 50 per cent. of the lessee's interest in the improvements?—I will get that.

234. Is a reason always given when a loan is declined?—No; the reason is known only to the Board.

235. Do you know the reason why a loan is refused?—No.

236. *Mr. McCardle.*] Is it not a fact that if there are any arrears of rent no loan is granted?—We do not even go to the stage of making a valuation. We have to inquire at the Crown Lands Office.

237. Then, the real security you take is 50 per cent. of the actual improvements effected by the lessee on the section?—Yes.

238. You are not authorised to take into consideration what is known as the unearned increment?—Not in lending, although it strengthens the security.

239. You have been asked about the number of loans raised on the leasehold: how do they compare with the number lent on freehold?—I can get that information for you.

240. *Mr. Johnston.*] Will you embody in the return the number of mortgages you have to foreclose on as far as Crown leaseholds are concerned?—I will get the information.

JAMES MILLER examined.

241. *The Chairman.*] What are you?—I am a farmer living at Hedgehope.

242. I am informed by the Commissioner of Crown Lands that you are a very experienced settler. How long have you been at Hedgehope?—Over thirty years. I have 2,000 acres of land—1,500 acres freehold. It is all improved.

243. Can you suggest any alteration in the land law that would be an improvement?—I believe in the freehold system, or lease with the option of making it a freehold.

244. A good deal of land is now being taken up under the lease in perpetuity?—I do not like that form of tenure.

245. Are you acquainted with any settlers around you holding under that tenure?—No.

246. Do you think that the constitution of the Land Board is satisfactory as it is now?—I think so.

247. You do not think an elective member would be advantageous?—I think it is better as it is.

ALEXANDER PYPER examined.

248. *The Chairman.*] What are you?—District Land Valuer, Invercargill.

249. How long have you been in that position?—About five years, and before that I was a farmer.

250. Would you just explain Mr. O'Connell's case in as few words as possible?—He came to the office and wanted a loan, and his value was given as £265. That was true in a sense. He said there were no alterations since I revised the values of the district, but when I went to his place I found that a house had been removed off the land for which he had made the application, and I had to report that, and I suppose they would not grant anything at all. The Board refused the application.

251. *Mr. McCutchan.*] The building he removed was included in the application?—Yes.

252. And when you went there you found it removed?—Yes.

OTAUTAU, TUESDAY, 28TH FEBRUARY, 1905.

DENNIS JAMES HEENAN examined.

1. *The Chairman.*] How long have you been in this district?—I have been seven years in the Beaumont Settlement. I hold 417 acres under the lease in perpetuity.

2. What do you wish to bring before the Commission?—I, with five other selectors, reside on the Beaumont Settlement, and we find that our rents are altogether too high to enable us to make a living.

3. What rent do you pay?—3s. 3d. per acre.

4. What area of land is cultivated?—There are 198 acres, and in English grass. There is a boundary-fence, and it is subdivided by a road, which is also fenced.

5. Is the balance of your land ploughable?—Yes.

6. Have you been cropping any of it?—Yes. I have had the 198 acres in oats and turnips and grass. I have been fairly successful on the river-flat. The crop has averaged from 20 to 50

bushels. The land is river-deposit with stony bars through it. About 100 acres is liable to flood, and I have lost flocks and crop by the floods. There are no embankments to protect against flood. The balance of the land that is not ploughed is in native tussock.

7. How far are you from Nightcaps Railway-station?—Eight miles, by a fairly good road.

8. Have you any dairy?—No.

9. I suppose you have some sheep?—I have about twenty at present and a few cattle.

10. What do you think would be a fair rent?—My idea is that the whole settlement has been bought too dearly. Land contiguous to it and on the other side of the river nearer Nightcaps has been sold at £1 8s. per acre, and land in the Avondale Block has been offered for sale privately for nearly two years at £1 6s. 6d. an acre and has not yet been sold, as against £2 10s. per acre which the Government paid for the whole of the Beaumont Estate. If I had money and was offered the Beaumont Estate at £1 6s. an acre and the Avondale Block at £1 6s. I would select Avondale. Only six blocks on the Beaumont Estate have been taken up in the seven years. I have expended my money on my section and I have nothing left, and I am in debt still and likely to be. I had a few hundred pounds when I went there and it is sunk in building and improvements, and I can see no way of getting it out. I petitioned the Government, and the Land Board came out and inspected the property and reported favourably, and it is the prospect of getting a reduction that is keeping us going. I understand the Minister of Lands introduced a Bill mentioning this particular section, but it was not proceeded with. If it were not for that I would try to get out as quickly as I could if I could get my improvements out.

11. Apart from the 198 acres of cultivated land have you put any of the tussock land in English grasses?—No. Some of my neighbours tried to cultivate it with very unsatisfactory results.

12. Is there a fairly good market in your district for oats?—The market is in Invercargill.

13. *Mr. McCutchan.*] What do you reckon is the carrying-capacity in sheep of 198 acres when you got them?—They were sown down in sweet vernal, which we find very poor for sheep indeed. There were no mixed grasses.

14. Was there any loading on this land for roads, or was it fully roaded when they took it up?—The only road was the direct road from Nightcaps.

15. The land is not as good as the settlers anticipated at the time they took it up?—They are disappointed in the quality of the land.

16. What do you estimate would be a fair rental after your seven years' experience?—I reckon one-half would be quite sufficient.

17. *Mr. Johnston.*] Roughly, what was the carrying-capacity of the land when you went on it?—The 198 acres might carry two sheep to the acre, and the balance one sheep to 5 acres in the winter, and one to 4 acres in the summer. It is sour stumpy tussock.

18. What is the quality of the land on the other side of the river?—It is alluvial flats similar to ours. There are patches of rich land.

19. What area have you in grass now?—I have about 40 acres broken up on the flat, and this year I have broken up about 80 acres of rough tussock on the terrace. The 198 acres are in grass, and it cost me from 15s. to £1 an acre to put it down. It will carry two sheep to the acre all the year round.

20. What is your average yield of oats?—About 25 bushels. I tried wheat one year, but the yield was very unsatisfactory—about 15 bushels.

21. *Mr. Paul.*] How do you regard the principle of a periodical revaluation?—I have not studied it.

22. From your evidence we see that your rent was originally fixed too high. If revaluation was in force you should get a reduction in rent, but, of course, if the land had increased in value your rent would be increased at periods of, say, twenty or thirty years. Do you think that would be a sound principle in connection with the lease in perpetuity?—It is not sound, in my opinion.

23. But you would expect your rent to be decreased now?—I simply maintain that the Government have made a mistake and that we should not suffer on account of that mistake in the meantime.

24. But suppose the Government had made a mistake and fixed your rent too low?—I am quite sure they would never do that.

25. Are you satisfied with your lease-in-perpetuity tenure?—Yes, in the meantime.

26. *Mr. Matheson.*] Does it not appear to you that you made a mistake equally with the Government, because you also put your value on the land when you applied?—Yes, my judgment was bad too. Of course, I was quite a stranger to Southland. I belonged to the Taieri, and was accustomed to much richer land.

27. *Mr. McCardle.*] You desire to get a reduction in order to make yourself a successful settler?—That is so.

RICHARD JOSEPH CASEY examined.

28. *The Chairman.*] What are you?—I am a settler of five years' residence on the Beaumont Settlement. I hold Section 8, comprising about 391 acres, about 130 acres of which was cultivated and in artificial grass when I took it up. There are patches of alluvial land on my section.

29. Have you cultivated any of the tussock land?—About 12 acres for a trial. It was not successful. I generally cultivate oats and turnips and patches of grass.

30. Have you any dairying?—No.

31. Have you any sheep?—Not at present.

32. Did you build a house?—Yes.

33. What is your rent?—I pay £61 5s. a year, at the rate of 3s. 1½d. an acre.

34. Do you feel that it is too much?—I find from experience it is too much. The land is not productive enough to pay the rent and provide a living.

35. What reduction do you think should be made to make the rent acceptable to yourself?—I reckon according to the productiveness of the ground that one-half would be a fair rent for it.
36. *Mr. Johnston.*] How much of your land is fit to be improved?—About two-thirds.
37. Why do you not improve the unimproved portion?—Because I find it does not pay to do so. I cannot see how it can pay me at the present rent.
38. How much is fit to be put down in English grasses?—I should say the most of it.
39. How much does it cost to put it down in grass?—About 10s. to plough and 10s. to grass it—£1 in all.
40. What would it cost to grass the 130 acres of cultivated land?—It would cost about 4s. less.
41. Would you not get a good crop of turnips off this rough unimproved ground if you tried it?—No. I have tried it. It is altogether different land from the 130 acres.
42. What does your rough tussock land carry?—About one sheep to 5 or 6 acres from my experience. There is a bit of good swamp ground, but not enough to justify draining.
43. What is the carrying-capacity of your cultivated ground?—About two dry sheep to the acre.
44. *Mr. Paul.*] How do you view the principle of periodical revaluation?—I cannot give any evidence on the point.
45. You want a reduction in your rent?—Yes.
46. Another man might find, owing to improvements being effected in his neighbourhood, that his land has been increased in value: do you think he should pay an increased rent?—I do not. I think the land is altogether inferior and is not as good as it is represented.
47. Are you satisfied with your tenure?—No, I am not at present.
48. In what way are you dissatisfied?—Because it is lease in perpetuity.
49. What do you specially object to?—Under that tenure your credit does not stand as good as it does under the optional system.
50. Would you have been able to take up the 391 acres under another tenure?—Not at the time when I took it up.
51. *Mr. Anstey.*] Is all your unimproved ground in tussock?—There is no bush.
52. Have you ever tried surface-sowing?—Yes, but it did not do very well. It did right enough in patches.
53. What have you on this unimproved land?—I have been running about 150 dry sheep in the summer.
54. You cannot keep sheep profitably in the winter?—You could keep them by growing feed, but you cannot carry enough sheep on the section to make it pay.
55. *Mr. Matheson.*] When you took your land up would you have been better pleased if you could have taken it up with the right of purchase?—I did not altogether consider it. My lease is a very good way to start with, but after you are settled a while you find the right of purchase very beneficial.
56. Suppose you could have paid 1 per cent. more rent and got the right of purchase, would you have chosen that tenure rather than lease in perpetuity?—If the land had been bought at a reasonable value I would have. We are paying 5 per cent. now.
57. *Mr. McCardle.*] You want a reduction in order that you may be able to hold the land profitably to yourself?—Yes.

GEORGE FREDERICK TOOGOOD examined.

58. *The Chairman.*] You are a settler on Beaumont?—Yes. I hold Section 1, of 445 acres, and I have been there twenty months. I took the land direct from the Government, and I pay 3s. 1½d. rent for it. When I took the land up 130 acres were in English grass, and 60 acres had been ploughed and left uncropped.
59. I suppose you have had only one crop off your land?—Yes; oats and barley, and turnips and rape. I got 15 to 40 bushels of oats, 20 bushels of barley, and a middling crop of turnips and rape.
60. Have you any stock on the place?—No.
61. Have you built a house?—No. I am residing on my father's freehold adjacent section. I have been in the district twelve years, and I know a good deal about this land.
62. Do you think your rent is too high?—Yes. I reckon if it was reduced by one-half it would be fair.
63. *Mr. Johnston.*] Have you got any ragwort?—There is a little.
64. How many sheep does your land carry?—I should say the flats would carry two dry sheep to the acre.
65. How many acres are there of that class of land?—About 190 acres of river-flats.
66. What will the other land carry?—I should say about one sheep to 5 or 6 acres.
67. Could it be made to carry two sheep to the acre?—No. It would not be worth ploughing.
68. Are you satisfied with your property?—No.
69. *Mr. Paul.*] How do you regard the question of revaluation?—I have not considered it.
70. Are you satisfied with your lease in perpetuity?—No.
71. What alteration do you think is necessary?—If we had it on the optional system we would be better pleased.
72. Would your means have allowed you to take up the land with the option of purchase had it been possible at the time to do so by paying 1 per cent. more?—The other way is really the best for a man to start with; but I would rather have it on the optional system.
73. When you get on your feet you want the option with the right to purchase?—I would rather have it that way.



74. *Mr. Anstey.*] Does your present tenure carry with it the right to surrender loaded with improvements if you wish to do so?—Yes; but I have to run the risk of the section not being taken up for some time, and in the meantime the improvements might depreciate in value.

75. If your land is only worth half the rent you are paying for it, would not surrender be a simple means of forcing a reduction in your rent: why do you not throw it up?—I do not care about throwing it up just yet, but if no reduction is made it will be a case of having to, because I cannot hold the land at the present rent.

WILLIAM JOHN DARLEY examined.

76. *The Chairman.*] Are you a settler?—Yes; but I am appearing here for my son and daughter, who are residing on the Otahu Settlement. My son holds Section 7, consisting of 404 acres, and my daughter Sections 8 and 9, consisting of 1,012 acres, both under lease in perpetuity from the Government. My son has been there about five years, and my daughter three. My son pays 2s. 4d. per acre rent, and my daughter 2s. for Section 8 and 1s. 7½d. for Section 9.

77. What use do they put the land to principally?—It is used for sheep and cattle. I have a place up above, and we work them all together. We have nineteen hundred sheep on the whole property, which means that there are about twelve hundred sheep on theirs.

78. Is that the fair annual capacity of the land?—It is not the land that carries them, but the agriculture. We put in great quantities of turnips. We used 12 tons of guano to grow 130 acres of turnips this year. Two-thirds of the land is well watered, but there is a third with no water at all, and we find we can do nothing with that at all. It will carry nothing, and that is our trouble. It has not carried one sheep this year. I think it would be best for the Government to take this piece of ground from us and turn it into a forest reserve. It would grow capital larch. If it were not for that third we could do very well indeed. We also find we are greatly hampered by the rabbits, which flock on to our property from the surrounding neighbourhood. We do our best to keep them down. We have put 5 cwt. of poison down since June last. The Rabbit Inspector kept the country pretty clear until the Act was amended, but now he seems rather afraid of going for the people, and the rabbits are increasing. At present my son and daughter are carrying on at a loss. We have done all that is possible to improve the place, but we find we are no further forward owing to this useless area. My ground is all right, but I only pay something like 8d. an acre for it.

79. You admit that some of the land on your son's and daughter's sections is very good?—It is excellent.

80. Do your son and daughter reside on the sections?—My son does, but my daughter is at home at present on account of her broken leg.

81. Have you any buildings?—Yes. I think the place would pay if it were not for that bad third I have mentioned.

82. Then, one of your great troubles and one great source of expense are the rabbits?—Yes. I reckon five rabbits equal to one sheep. It is not on account of what they eat, but owing to the destruction they cause. They attack the turnips immediately they appear above the ground, and clear great patches that way, and in the winter, when the ground is under snow, they come tremendous distances to our turnips.

83. Is the Lannekar Bush still reserved?—Yes, and it is a great stronghold and breeding-place for the rabbits.

84. Situated as you are on the ridges, did you think it would be an advantage to work the property together as a family estate?—Yes. The girls take an interest in outdoor work, and I thought it would be better for them to develop it than to send them into the towns. I think they have done as much work on the land as anybody else. We would not have taken up the property if we could not have worked together.

85. Do you feel you must have a reduction of rent?—I think my son's rent is too dear; but my daughter's would be cheap enough if that bad third was taken from her, and if the rabbits were kept down we would not find so much fault with it.

86. Then, on the whole you are not very urgent for a reduction of rent?—I think we have the best piece of land on Otahu, but I think some of it would be dear at a gift.

87. *Mr. McCutchan.*] At the time your son and daughter took up their allotments it was owing to your experience on the adjoining place that you thought it was a fair thing for them?—I thought my son's too dear, and did not want him to take it; but he had as good an idea of the subject as I had, and he preferred to do so.

88. Roughly, what is the carrying-capacity of the good portions of the place laid down in English grass?—Some would carry five sheep to the acre in summer-time, but in the winter it is subject to floods.

89. Do you think the country is too inferior to be properly worked?—I think Otahu has a worse name than it deserves.

90. Do you think it would be a wise thing and in the interests of the State were these settlers placed upon the land given the optional tenure?—I think it would be the wisest thing the State could do. I did think once that land-nationalisation was a good thing, but force of circumstances and advancing years have caused me to alter that opinion. I think the system in New Zealand an excellent one, but it should allow a man after a certain time to take up the freehold. If I wanted to sell out under the lease in perpetuity I do not think I could get what I have expended on the property, but under the freehold I believe I would have a better chance to do so. I think the Government should continue to open up the country. Then after a man has been on it ten or twenty years he should be permitted to acquire the freehold if he desires it. I might mention that I am a Justice of the Peace, and a neighbour of mine came recently to get some transfer papers completed. I am sure that lessee is not getting the full value of the improvements he has put on that place.

91. Your children are under the Land for Settlements Act, and are paying 5 per cent. For the waste lands of the Crown the people are paying 4 per cent., and it is advocated that they should get the right to the freehold by paying an extra 1 per cent: do you think if your people were given the right to secure the freehold they should pay anything further than the 5 per cent.?—I do not think it would be wise. It would be placing a heavier burden on the people than they could bear. I had land in the Old Country, and I was offered money there at 3 per cent.

92. Was there any loading upon your block for roads?—No. There were two reserves for drainage. One was carried out, but the other has not been done, and in lambing-time the country is subject to floods.

93. Are you satisfied with your representation on the Land Board and the method of nomination by the Government?—I think, on principle, it would be advisable if the tenants and those interested had one representative. Personally, we could not be better served than we are at present with the members of the Land Board. There is an impression in my mind that the Wellington Land Board have been rather autocratic, and in such cases I feel it would be better if there was one man elected by the people.

94. Considering the Crown tenants' interests are very large in proportion to the Crown's, do you think one member is sufficient?—Possibly there ought to be more, but I think there ought to be one.

95. But you would be satisfied if you could always get good men, as you have on the Land Board at present?—Yes.

96. *Mr. Johnston.*] You carry twelve thousand sheep on this land?—Yes, approximately.

97. Do you get, roughly, 15s. per head gross profit from them?—I have never gone into that.

98. Do you approve of the present residential clauses in the Land Act?—They suit us very well. It is impossible for the people to reside permanently on the ground. Settlers go out contracting for other people for a considerable part of the year; but if the Board sees that a man is a *bona fide* settler who is carrying out his improvements it never interferes.

99. *Mr. Paul.*] I understood you to favour very strongly the settlement of the people on the land?—Yes.

100. Then, you are a whole-hearted supporter of the policy of the present Government in buying estates and settling the land—you think that is good for the country?—I think it is very good indeed.

101. I understood you to say that you are in favour of the Government buying estates and selling them, and, in short, acting as a general land agent?—I think there is no one else who can perform that duty so well. It is better that the Government should do so rather than it should be done by syndicates. I am in favour of anything that will draw the blood out of the towns and spread it all over the country—we do not want all the blood in the head, but it should circulate throughout the system. It is the country that is going to make the town. The worst of the Australasian Colonies is that it is the other way about, and the blood goes to the head, and a good deal of the bone and sinew too, I am sorry to say, is going there.

102. Have you studied the financial aspect of the question, so far as the colony is concerned, in borrowing money to purchase estates?—If the people are to be settled on the land and we are to extend the railways we must borrow. In other countries private companies construct the railways, but here everything is done in the name of the Government.

103. You are satisfied with the lease in perpetuity for a certain number of years?—Yes; but supposing a man has been upon a section for twelve or fifteen years and he is compelled by adverse circumstances to sell out, it is difficult for him; but I do not believe in trafficking in land more than can be avoided.

104. You have made certain improvements on the land under the lease in perpetuity—you could get a fair valuation?—We possibly might, but in the case I have mentioned I do not think a fair valuation was given.

105. Could your son and daughter purchase the freehold?—In course of time they might be able to do so. It is a very good system.

106. Then, the land for settlements and lease-in-perpetuity tenure "pans out" very well?—So far as I have been able to see, it does, but to meet cases of sickness or people retiring it is desirable they should be able to sell out the freehold if they get a better market.

107. We all recognise that the freehold has a higher value than leasehold, but you cannot get a freehold without paying for it. I understand that the lease has enabled your son and daughter to go on the land?—Yes.

108. *Mr. Anstey.*] Did your son and daughter take up land under the Land for Settlements Act?—Yes.

109. It was a purchased estate?—Yes.

110. *Mr. Matheson.*] Are some people in your district making the trapping of rabbits their chief occupation?—Yes, in winter-time.

111. Do you think that so long as they make money in that way the rabbits will ever be got rid of?—I am sure they will not.

112. Do you think that if rabbits were got rid of you would be in a very satisfactory position?—Yes.

113. So that the greatest hindrance to settlement in your district is rabbits?—Yes, at Otahu.

114. *Mr. Johnston.*] Do you get a royalty on rabbits?—No. We find the feed for them and they take the profit away.

115. *Mr. McCardle.*] You have said that a good deal of the land you want to go on is valueless: have you ever tried clover?—Yes. We put 40 lb. of seed down. I think that clover does well for the first part of the year, but not in winter.

116. How about grass?—I would like to have a try at a small patch to see how it would do. I believe yarrow would do, but that is almost a noxious weed on good ground.

117. You think that a man having the lease in perpetuity should have an opportunity of changing into a lease with the right of purchase?—Yes, after a certain time.

118. Then, you believe that it would be fair for him to have 1 per cent. taken off his rent as compared with the lease with the right of purchase?—Yes. Those who got it before should be able to pay the extra 1 per cent. I think 5 per cent. is ample for ground held under the Land for Settlements Act. It is about as much as a man can pay.

119. You do not think you get any advantage in taking up a lease in perpetuity as compared with a lease with the right of purchase?—No, except the 1 per cent.

120. The two systems meet the case of the working-man about equally well for the time?—Yes; but if I were to take up land it would be under occupation with right of purchase.

WILLIAM SCOTT examined.

121. *The Chairman.*] What are you?—I represent my son, who is a holder in the Otahu Settlement. My son has 1,055 acres, Sections 4 and 5. The land is of light quality, nearly two-thirds are gravelly. My son uses the land for raising stock, and he cultivates oats and turnips. He puts in about 50 acres of turnips, and during the last year or two he has put in, in addition, about 50 acres of oats. His rent is £103. He has got the original homestead. There are about 70 acres of bush. I think the improvements amount to about £400. The lease is for twenty-one years. I think that the Otahu Estate was in the first place acquired at rather a high value—the Government paid too much for it. They paid about £1 5s. an acre, and I do not think it was worth more than 12s. 6d., because it is infested with rabbits. Rabbits have reduced the carrying-capacity of the land by a considerable amount. The expense of keeping down rabbits is very large. I think the rabbits should be the means of bringing about a reduction in the value of the estate. The subsoil is of a puffy nature; it will not hold the rain, and therefore the land will not grow grass.

122. Supposing there were no rabbits, would the land be worth the rent you are paying?—I believe it would, and I am confident that my son's land would carry 250 more sheep.

123. Was it badly infested with rabbits before it was taken up?—No. The Government had kept them down with the aid of Inspectors, but in a few months the surrounding country again became infested. Under the circumstances I think the rent is double what it should be. I hold 650 acres of freehold at Clifden. Rabbits are not so bad there, although they are pretty bad in some places.

124. *Mr. Johnston.*] What sheep does your son's land carry?—He has about five hundred sheep at present.

125. What did the land cost?—About £1 2s. 6d. an acre freehold. I hold my land under lease in perpetuity. I had made considerable improvements.

126. You are satisfied with the land, then?—I have no complaint to make.

127. You are not satisfied with the land your son has got?—It is right enough while stock is high, but during two years he made nothing at all.

128. *Mr. Hall.*] Is your son's land of a light sandy nature?—Yes.

129. He holds it under the Land for Settlements Act?—Yes.

130. Is his tenure satisfactory apart from the rabbit trouble?—He apparently seems content with the long lease.

131. Do you think the Government should do anything to assist in reducing the rabbits, or can you suggest any other means that should be adopted to meet the case?—I could not suggest anything while the Inspectors have full charge. Three settlers have been warned lately, and I think one has surrendered his holding.

132. *Mr. Anstey.*] Supposing, instead of reducing the rent, the Government spent the money in subduing the rabbit-pest, would not that increase the productive capacity of the land?—Yes. It is difficult to keep the land clean unless the surrounding country is also kept clean.

133. I understand that there is a large educational endowment to the north: do you not know whether there any rabbits on it?—I could not say.

134. *Mr. Matheson.*] Have you tried rabbit-netting on a piece of land to see the result?—I thought that would be a good idea, and suggested it to my son, but it is expensive in the case of a large block.

135. Have you ever been in a rabbit district and noticed that with the aid of a wire net the rabbit pest was gradually diminished?—I believe it would help it.

136. Are you satisfied that the rabbit nuisance is the greatest hindrance to settlement there?—Yes.

137. *Mr. Hall.*] Are you aware of the cost of rabbit-netting per mile?—No.

138. *Mr. Anstey.*] Would it not be almost better for the Government to supply the netting free rather than reduce the rents?—It would certainly be better than nothing at all. I think that would be a very good idea.

139. If you were supplied with a certain amount of netting, would it not be well to try some of it on a small portion of land?—If I were in a rabbit-infested district and was supplied with netting I would try it.

140. *Mr. McCardle.*] Do you think it would be advisable for the Government, instead of reducing the rents, to supply wire netting to the Government, tenants, and thus assist in checking the rabbits?—I would not like to take upon myself to answer that question. If I were in a similar position to an Otahu settler, if I could get no other concession I would certainly accept that one.

141. *Mr. McCutchan.*] At one time you held a lease-in-perpetuity section?—Yes.

142. You gave up that lease, and you took the risk of losing your land altogether?—Yes.

143. But individually the settlers in the district thought the upset price, £1 2s. 6d., was the full value?—Of course, I had considerable improvements.

144. Your improvements were protected?—Yes.

145. You stated that it was your impression that your son is satisfied with the lease-in-perpetuity tenure?—I believe he is.

146. But that is always provided there will be no risk of revaluation in the future?—Certainly.

147. *Mr. Paul.*] You understand the question of revaluation can only be applied to future leases. Your son holds a lease in perpetuity. At present there is no possibility of him having to put up with revaluation. The principle of revaluation would be applied to future leases—you understand that?—You mean in regard to revaluing the long lease.

148. If the principle of revaluation is applied it will be applied to future leases?—I do not altogether approve of that, because it might be applied too often.

149. I want to know does your son approve of the principle of revaluation applying to future leases—there is no possibility of it being applied to your son's lease?—That is quite a different matter. As long as it does not apply to the present leases.

150. Do you think it would be wise to do so for future leases?—I do not know whether I could say I could agree to it.

151. *Mr. McCardle.*] In regard to waste lands of the Crown-unimproved country, do you not think that periodical revaluation would retard rather than encourage settlement?—I could not exactly say. As to the perpetual lease and the lease in perpetuity, the 1 per cent. makes the difference, and increased the applications in one case. Besides, the land-tax cannot get at them. That is another consideration. The lease with the right of purchase is my favourite.

JAMES KING examined.

152. *The Chairman.*] What are you?—I am a settler at Clifden, and hold 468 acres—Section 8, Block I., Lillburn. I also hold three sections in Papatotara. Section 8 is held under lease in perpetuity. The area of the three sections at Papatotara is about 160 acres altogether, and they are held under lease with right of purchase. The 472 acres is being used for sheep-farming, and the rent is £33 12s. a year, equal to 1s. an acre. I have held Section 8 for twelve years, and have had the remaining property about six months. The 150 acres was improved when I bought it. I paid £350 for the goodwill and improvements. I valued the improvements at about £100; £220 was paid for the goodwill. I took up Section 8 in 1892 under occupation with right to purchase. A few years afterwards I surrendered and got a revaluation. I paid 5 per cent. up to that date. I then took it up under lease in perpetuity, and am holding it under that tenure, paying 4 per cent. I am a strong believer in the freehold. I have done a good deal of farming here, and also some in Scotland before I came to the colony. From my experience in Scotland I do not believe in landlordism. I came sixteen thousand miles to get a freehold, and I believe in it if a man can purchase it. As I have said, I got a reduction in rent, and I am now quite satisfied. I am satisfied with respect to my land at Papatotara, and use it for cattle, and I have the right to purchase in the case of that land.

153. *Mr. McCutchan.*] Were these blocks loaded for loading?—Yes; Section 8.

154. Are you satisfied with the principle of loading—that is, the settler paying interest or the whole term of his lease on loading?—I think it is a fair thing that if they get the roads they should pay for them. I am not satisfied with the way it was done in the case of Lillburn. The money was simply squandered in the expending of it.

155. But you are satisfied with the principle?—Yes; but I think the payment for loading should terminate at the end of a certain number of years.

156. You are paying 4 per cent.?—Yes.

157. At compound interest the money would be paid for in about eighteen years?—Yes.

158. Do you not think it would be a fair thing to cease paying for loading in eighteen years? Surely by that time the Government would be recouped the capital outlay without interest?—I think so.

159. *Mr. Johnston.*] What stock do you carry?—About eight hundred sheep and one hundred head of cattle.

160. What is the cost of your land?—1s. an acre.

161. Are you satisfied with the land?—Yes, but we paid far too much at first.

162. How much was in bush on the large section?—It was all open country.

163. You had the right in the first instance to purchase, but you got a revaluation and took it up at 4 per cent.: why did you do that?—Because I was getting the money cheaper. That was what I thought.

164. In other words, you thought it more advantageous than having the right of purchase?—No; but I could better afford the 4 per cent. than the 5 per cent. at the time.

165. And at the present time you would like to be able to purchase it?—I am very sorry I ever changed it.

166. When you were a poor man you were prepared to take it up under that tenure and considered it very good?—Because I could not do otherwise.

167. You wanted to get on the land and you had not any capital?—I had a little.

168. A poor man could not start a farm unless there was perpetual lease?—Yes, with right of purchase.

169. Which would you take up if you were a poor man?—Certainly, with the right of purchase now.

170. That was when you had not the experience?—Yes; but with my present experience I should certainly take it up differently now. Before I took up this land I had 300 acres at Woodlands.

171. You left Scotland for the purpose of making a home here, and you are a strong believer in the freehold: was not the land freehold there?—No; it was leasehold.

172. But the landlords have now got the freehold?—Yes.

173. But it was having the freehold in those days that led to the large estates?—Yes.
174. Would you advocate giving the freehold now, so that the accumulation of estates could go on?—No; I think the amount of land should be restricted.
175. Will you tell us roughly what you are making out of eight hundred sheep a year and what ought to be a fair rent after paying all expenses?—My return is above the average. I breed stud sheep. My sheep are Border, Leicesters, and Romneys.
176. Can you say what profit ought to get from eight hundred ordinary sheep?—Values fluctuate a good deal, but to strike an average I should say about 10s. a sheep.
177. Can you get 10s. for a lamb at the present time?—Yes.
178. Could you have got 10s. three years ago for a lamb?—I do not think so.
179. *Mr. Paul.*] Would you favour giving the freehold to all Crown tenants?—Yes.
180. On what terms? Those who hold the lease in perpetuity pay 4 per cent.: would you ask them to pay up the 1 per cent.?—Yes.
181. And even if the land were put up to auction would you favour that if the only way to get the right of purchase was to do that?—I would not favour auction, because I defy you to get sufficient valuation for improvements. You could not get value for much of your labour that was put into the improvements. You can put improvements on land which could not be valued.
182. Would you favour the freehold being given to all tenants?—Yes.
183. Including tenants of Harbour Board and educational endowments?—Yes, with a restricted area.
184. You do not consider it is wise to set apart these endowments for educational purposes?—Yes. I think it is a good thing, but if they got the money out of them it would do just as well.
185. But, generally speaking, these endowments are increasing in value every year?—I dare say they are in some cases.
186. Then, you propose giving the freehold to all tenants?—Yes.
187. The tenants or private landlords?—Yes, to every one. I think it is for the good of the country.
188. *Mr. McLennan.*] You said there had been waste in the expenditure of certain money on roads: was it the County Council or the Government that expended that money?—The Government.
189. *Mr. Anstey.*] You said just now that you were sorry that you altered the tenure of your land. By doing so you saved 1 per cent.?—Yes.
190. Would you be prepared to pay the additional rent if you went back to the old tenure?—Yes.
191. Would you be prepared to pay up the arrears?—Yes, I would be quite willing to pay the arrears.
192. *Mr. Johnston.*] When you surrendered and got a revaluation, what was your valuation?—£2 an acre.
193. And now it is what?—£1 7s. an acre.
194. Would you be prepared to pay the 13s. if you had the right of purchase?—Yes; but that would not be fair, because the land was too dear originally.
195. But surely £2 an acre is not too dear for land that will carry two and a half sheep?—We have made it do that, but before the land was improved it would not carry two and a half sheep.
196. *Mr. McCardle.*] It is an indication that the principle was a good one in your case?—Yes; and I think it is quite fair to pay the 1 per cent.

ROBERT TAPPER, Jun., examined.

197. *The Chairman.*] What are you?—I am a sheep and cattle farmer at Clifden, West Waiau. I have 885 acres under lease in perpetuity, and I manage another farm, and also represent my brother. I have been twenty-four years in that place, and have held the 885 acres for ten years. My rent is about £30 a year, making it 9d. an acre. I cultivate turnips and enough oats for winter use on the farm. The land was rough when my brother and I took it up—that is, the additional land—and the reason we took it was because it adjoined the freehold. My land is Section 14, Block I., and the other land is Section 7, Block II. I have cleared about 200 acres of bush. I am frightened to clear any more on account of the Canadian thistle. The cleared portion has taken the grass very well. The land is very inaccessible.
198. You do not think the rate excessive?—Yes, I do, and so did the Land Commissioner once.
199. *Mr. McCutchan.*] Do you find any great difficulty in getting the bush burnt?—Yes, sometimes. This is the first good year I have had for a burn.
200. Is the local body enforcing the Noxious Weeds Act with any degree of stringency?—I do not wait until I am forced by the local body.
201. If the local body does not enforce the Act, is not the work of a good man destroyed to some extent by the weeds spreading from adjoining land?—Yes, there is always the fear of the spread of the thistle from neighbouring land.
202. If the local bodies were to enforce the Act, would it press heavily on the settler?—In some cases. It would in the case of bush land.
203. Supposing there is lax administration of the Act, what is your opinion of the ultimate result?—The farmer would have to go out.
204. *Mr. Paul.*] Are you satisfied with the lease-in-perpetuity tenure?—No; I would like to have the freehold.
205. Did the lease in perpetuity suit you when you took up the land?—The difference between 4 and 5 per cent. makes one consider, but I wish now that I had taken up a lease with the right of purchase.

206. Did it suit you better at the time you took it up—that is, the lease in perpetuity?—I think if it had been the freehold we would have bought it out.

207. *Mr. McLennan.*] Do you sow the grass-seed that grows about here?—Sometimes we purchase it from down in the country, or from where we can get the best sample cheapest. I have sown some of my own grass, and I think other farmers also do so.

208. Then, you will not have weeds then?—I think several of them sent their grass down to the companies to be machine-dressed.

209. Will the machines take yarrow and other seeds out?—Yes. Yarrow, Canadian thistle, and I also think ragwort, but that is no trouble to us on the flat.

210. *Mr. Hall.*] How do you account for noxious weeds being spread about the country here? Is it from the use of inferior seed?—I think it is owing to the driving of mobs of sheep down the country, and feeding on the thistle and carrying it home in their fleece, and in other ways.

211. Have you found that Canadian-thistle seed carries with the wind?—I do not think it carries very far with the wind. Patches spread mostly from the roots.

212. *Mr. Anstey.*] Are there any rabbits on your side of the river?—A few. They are rather a nuisance on the freehold piece, but are not so bad on the leasehold portion. The freehold is black sandy soil.

213. Have any of you tried wire netting?—No; not to any great extent. Our neighbour thought he had fenced the rabbits out, but he found there were more rabbits inside the fence than outside.

214. *Mr. McCardle.*] What is your objection to the lease in perpetuity?—A man likes to have a piece of land of his own.

215. Is it only a matter of sentiment?—Sentiment goes a long way towards it. When a man wants to sell land or borrow money the freehold is better for him.

216. As to restrictions, do you think with the progress of settlement restrictions should be removed?—If a man is a good farmer I do not think the restrictions are very heavy on him.

JOHN HORRELL examined.

217. *The Chairman.*] What is your occupation?—I am a farmer in the Lillburn, at Clifden. I have been there twelve years, and I hold 697 acres of freehold. I raise stock and cultivate special feed for winter use.

218. You might just state what you wish to bring before the Commission?—I am strongly in favour of the freehold. I think the freehold tenure is the best for all concerned. My parents were leaseholders for years in the Old Country. They had a family of boys, who worked for no pay beyond their board and lodgings and clothes. We found that at the end of each year we were always a little worse off. The Government of this country offered then the freehold, and we came out to take it up. I say the freehold settler has built up this colony. The freehold is best for the tiller of the soil, and what is best for him is best for the whole community.

219. Do you think there is any advantage in the various leasehold tenures which allow settlers to get on the land much earlier than they could otherwise do?—The leasehold is undoubtedly the best for the man with small means, and most of the people who take up land from the Crown in the back country are men of small means; but I think when a man shows that he is a *bona fide* settler and is putting on sufficient improvements he should be allowed to purchase the freehold.

220. I presume from your remarks you wish settlers to have the right to purchase when it is convenient for them to do so?—Yes.

221. Have you any remarks to make as to whether the Crown lands should be administered by nominated Board or an elected one?—I think it is only fair to the Crown tenants that they should be allowed to appoint or elect one member, so that they might be represented. Personally, I have been a Crown tenant, and I have no fault to find with this Board.

222. *Mr. McCutchan.*] Do you think it is wise in the interests of the colony that all future leases should have a revaluation clause put in them?—No. I do not think it would be fair to the settler. I do not think he should be subject to any revaluation or to any increase in his rent under any circumstances.

223. *Mr. McLennan.*] Do you belong to the Farmers' Union?—Yes.

224. Do you represent the Farmers' Union here to-day?—No. I may state that at the meeting at which the resolution which Mr. King read was passed I was the only freeholder present. The remainder were Crown tenants. The meeting was held at Clifden.

225. *Mr. Anstey.*] Was it a meeting of the settlers or of the Farmers' Union?—It was a meeting of the settlers, altogether independent of the Farmers' Union.

226. *Mr. Hall.*] Do you consider that the greater number of those that have taken up land under the Land for Settlements Act would have been able to procure the freehold at the time they took up that land?—It is much easier for a man to take up the leasehold. Most of the people that take up back country from the Crown are men of small capital, otherwise they would never go into the back country and struggle as they do. Only those who have gone through it know how these men have to struggle, and I think men who go into that country are entitled to the freehold when they wish to acquire it.

227. Would they be in the first instance in a position acquire the freehold?—They could not possibly take up land at all.

228. Then, it is in the interests of the country that they should get the land under that tenure?—It is easier for a start, but a struggling Crown tenant is of no use to himself or the country. A man with the freehold will put more heart into his work.

229. Would you advocate converting the existing leaseholds into freehold?—I would if the tenant desired it. If a tenant wished to remain a leaseholder, let him do so by all means so long as the Government does not interfere with his lease.

230. In granting the freehold under existing leaseholds ought there to be any revaluation?—No, unless the rent is too dear. I wish to point out that when I took up a leasehold in the Lillburn district we all surrendered our sections because the rent was too dear. The land was revalued by the members of the Land Board, who were all practical farmers, and the rents were reduced. Could you expect a Crown tenant to struggle on the land when his rent is too dear?

231. Is it fair to the country to part certain sections that are undervalued and take over from the tenants those that happen to be too dear?—One of the greatest mistakes the Crown make is in putting too big a prairie value on their land.

232. I understand many settlers get a high price for their goodwill?—I think Mr. King pointed out that you cannot value the improvements on a section.

233. *Mr. McCardle.*] You are of opinion that when a settler takes up rough country there is very little unearned increment that is not the result of his own improvement?—Yes.

234. Your contention is that land should only be revalued when it is clearly proved that the tenant has taken it up at too high a price?—Yes.

235. *Mr. Johnston.*] Can you give us any idea of the market value of your land?—I would take £4 per acre for it, but I do not want to sell. No land has been sold in our district since I have been there.

236. How many sheep do you carry to the acre?—It might carry one and a half.

237. What was the capital value when you took your land up?—The prairie value was a shade over £2 per acre, and when it was revalued it was reduced to £1 2s. 6d. an acre. This land was loaded at the time of the original selection for roads and bridges, and to the best of my knowledge I paid £300 for the loading. I think loading the back country is a mistake.

238. You think a farmer is entitled to the unearned increment if there is any?—Yes; but I do not think there is any.

GEORGE ANDREW SCOTT examined.

239. *The Chairman.*] What is your occupation?—I am a farmer on the Merrivale Settlement. I have been there five years, and I hold 157 acres under lease in perpetuity. It is all open land, and had all been ploughed and grassed when I took it up. I have been grazing it with sheep and a few cattle.

240. Any dairying?—Yes; I am milking for the factory.

241. What is your rent?—4s. 6d. per acre. 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. From my knowledge of the settlement and of the settlers as a whole it is not what you could call a go-ahead settlement. It cannot be classed under the same heading as Cheviot or Waikakahi, in the north. We have several drawbacks to contend with, the greatest of which, perhaps, is climate. The weather is particularly severe in the spring months, and our stock suffers very heavily. Two years ago we had 2 ft. of snow on the 22nd October, and each individual in the block lost heavily in the lambing. Another great drawback is the broken and steep nature of the land. The narrow ridges away from the sun are not worth ploughing. They do not hold grass very well, because after the first two or three years the fog comes up. We are loaded very heavily for roads. I understand that the land was originally bought for £2 10s. per acre all over. Well, the roading and surveying brought some of the land up to £6 per acre. In my own case I am loaded to the extent of £2 per acre, and in some other cases the loading is £4 per acre. There are not two really successful settlers on the whole of Merrivale. I am on a limestone ridge on Section 27. My wife has another place of 210 acres across the road, but about 130 acres of this is heavy bush. At any rate, I consider I have 250 acres of open land in the two sections. I will tell you the stock I have at present in order that you may judge of the carrying-capacity of the land. I have twenty-eight dairy cows, seventy-five sheep, six horses, and a few pigs. I have in winter feed for this stock, say, 60 acres ploughed. That leaves 200 acres in grass, and with the exception of 25 or 30 acres none of that grass is more than three years old, and most of it is running out. In fact, I have not sufficient feed for my stock. Last year I put in 20 acres in oats, and after harvesting it I got 13 tons of chaff out of it. The rent for Mrs. Scott's section is 2s. 8d. per acre all over.

242. Speaking about fog on your land, have you or any of the other settlers ever applied lime to your land?—I have not, simply because I could not get it; but I question if it would do any good, because the majority of the ridges are poor yellow clay. I put one of these paddocks down in turnips with 3 cwt. of guano three years ago, and I did not get as many turnips as would cover this table.

243. What is the average value of a cow's produce?—My experience is that a cow on my land is worth 15s. for four months in the year, and about 10s. a month for other six months. That is £6 per year. We often read that dairy-farmers get £6 to £10 a year from each cow, but they could not do so in our country.

244. Do you sell any young stock?—I sold some calves last year.

245. What do your sheep yield?—They averaged about 7 lb. of wool. They are crossbreds.

246. Supposing you wanted to buy your land, what would you be prepared to give for it?—About £2 10s. per acre.

247. So that there is £2 per acre of a loss on the Government valuation?—Yes.

248. Does that remark apply to the whole of the settlement?—It does not to such an extraordinary degree, but in the majority of the cases it does.

249. *Mr. McCutchan.*] What are your county rates?—I think  $\frac{7}{8}$ d. in the pound. I pay about 5d. per acre in rates.

250. You say the carrying-capacity is one sheep to the acre?—Yes.

251. How was it, in the first instance, that practical men, looking at this land, and having regard to the small areas, took it up at all?—That is a question I have never been able to answer to myself satisfactorily.



252. You object very strongly to the loading?—I do.

253. Who spent the loading?—The Government.

254. Have you any suggestion to make in regard to this loading: do you think it is right it should go on in perpetuity?—I certainly think it should not. I think at the very outside it ought to terminate in fifteen years from the time the money was spent.

255. *Mr. Johnston.*] Were you accustomed to this district before you went on the land at Merrivale?—I knew nothing about the district.

256. Are you satisfied with the tenure of your lease?—No.

257. What causes you dissatisfaction?—I think the principle is wrong.

258. You want to purchase?—No. In fact, I would not purchase my land if I had an opportunity of doing so. I am strongly against this lease in perpetuity. I certainly say a man ought to have the option of purchasing the freehold; and not one particular class of settler more than another, but every settler.

259. *Mr. Paul.*] You approve of the principle the Government are following of buying land for settlement?—Yes. It is very good so far as it goes, if they carried out the principle in a reasonable sort of a way.

260. It seems from the evidence we have heard that the estate was purchased at too high a price?—Undoubtedly.

261. In what light do you look at an increase in the graduated land-tax for the purpose of making owners of large estates more anxious to sell?—I think it would be rather arbitrary. The land is only worth what it will produce, and if the Government tax the land above that point I say a hardship will be inflicted.

262. An increase in the graduated land-tax would make a man either produce the limit from his land or sell it?—Not necessarily.

263. *Mr. Hall.*] Is the bulk of the Merrivale Estate unsuited for close settlement?—No, but a good portion is, and some of the settlers took up land not suitable for settlement.

264. Were they as a rule practical men with a knowledge of land and farming?—Yes.

265. How do you account for them taking it up at a price that was too high?—The proof of a pudding is in the eating, and so it is with land. You cannot tell what it will do until you work it.

266. *Mr. Anstey.*] What is the total loading per acre for the whole of the estate? Would it amount to 5s. or 10s. per acre?—It would amount to more than that, but I cannot tell you.

267. In regard to the size of the sections, do you think they ought to be larger or smaller?—They ought to be larger. I think a man, to make a fair living, would require not less than 300 acres.

GEORGE BARWELL examined.

268. *The Chairman.*] You are a Crown tenant on the Merrivale Estate?—Yes. I have been there since the beginning of the settlement, nine or ten years ago, and I hold 350 acres. It is chiefly bush. I had 250 acres in bush, but I have cleared about 70 acres, and it has taken the grass very well. When I took the section up portions of the open area were cultivated and portions were surface-sown. I pay 1s. 6d. per acre, and I graze both sheep and cattle.

269. Do you dairy?—No.

270. What do you wish to bring before the Commission?—I wish to state that I do not regard the lease in perpetuity as a secure tenure, owing to the agitation that is prominently before the towns for revaluation, and also because you do not get valuation for your improvements. Another point about the Merrivale Settlement is that the allotments are altogether too small. That is one of the greatest faults in the settlement. It is sixteen to eighteen miles away from a railway, and a man with 140 acres of land has practically to depend upon sheep, and no man can carry on successful sheep-raising and maintain a family unless his land is capable of carrying five hundred breeding ewes. These sections under the present Act cannot be grouped. I think the present constitution of the Land Board is all right. I have no fault to find with the Board. I object to the loading for roads, because it is a special tax which these people have to pay for all time, and these roads give access to lands further on. I think all money for roads should come out of the Consolidated Fund and should be paid by the taxpayers generally. Again, in the case of persons wishing to borrow on the lease in perpetuity, they cannot get anything like one-half the value of their improvements. I know a case where a man's improvements were valued at £300, and the utmost he could get was £100. Under the freehold I think that more could be got. I know the money institutions are very chary about lending on leaseholds. I do not think that short leases are advisable, because a man will not farm his land as well under a short lease as under a long one.

271. *Mr. McCutchan.*] You think, from the tone of opinion in the towns, that there is a real danger in the future of retrospective legislation in regard to the revaluation of these leases?—I will not say a real danger, but the threat is held out, and is causing uneasiness amongst the Crown tenants. I believe there might be a danger.

272. That is one of your chief arguments in favour of the tenants getting the option of the freehold?—Yes; and also because under a leasehold a Crown tenant is practically tied to the land. He cannot get the same value for his improvements as under a freehold, and therefore he does not care about selling out his interest in the leasehold. It is really only those who have no money who take up the leasehold.

273. Was the £300 valuation the Department's valuation or the settler's?—It was the valuation of the Government Advances to Settlers Office. I do not know what advance was asked for, but it was well over £100. It was nearer £200.

274. Was the Department's offer of £100 accepted?—Yes.

275. *Mr. Paul.*] Do you think a freeholder is more able to pay land-tax than a leaseholder is able to pay an increased rent?—I do not say he is. I should say the two are about equal.

276. When you took up your section would you have been able to acquire the freehold?—No.

277. Then, but for the lease in perpetuity you would not have been able to get on the land?—Possibly not; but it does not follow that what I say is wrong.

278. Do you seriously think the money for roads for land for settlements should come out of the Consolidated Fund?—Yes; I think it should be the endeavour of the Government to settle the lands of the colony as cheaply as possible. They are quite prepared to accept  $3\frac{1}{2}$  per cent. interest from the railways, but from their land-settlement they want 5 per cent., although land is far and away better security than railways. The railways are no good without land-settlement.

279. Land-settlement is not much good without railways?—It could live without railways, but railways could not live without land-settlement.

280. *Mr. McLennan.*] Would you be in favour of the Land Board having more power, so that when one tenant goes away they might subdivide his section and give each of his neighbours half of it?—Yes. I do not see why a neighbour, if he wishes it, should not increase his holding so long as he does not hold more than 640 acres of first-class land. I do not believe in any areas being over 640 acres.

281. *Mr. Anstey.*] With regard to loading, you say you object to this loading for the purpose of making roads, and also that the Government should construct these roads out of general revenue?—Yes.

282. In other words, you think the Canterbury farmers should be taxed to cut roads to Merrivale?—Yes; it is all for the benefit of the colony.

283. If land is purchased for £1 per acre and is worth £3 after being properly roaded, you say £2 should be found by the whole of the colony, and the settlers of Merrivale should pocket the extra £2?—It would not be worth anything like that.

284. *Mr. Matheson.*] If you could have taken up your section with the right of purchase by paying an extra 1 per cent., would you have preferred to do so?—I should, certainly.

285. *Mr. McCutchan.*] Are you under the impression that the loading comes out of the revenue of the country?—I understand the money spent on loading is borrowed money.

286. And a road, no matter how remote it may be, or how insignificant, is not in any sense a local work because the whole colony derives a benefit from that road?—That is so.

#### ANDREW SALTON examined.

287. *The Chairman.*] What is your occupation?—I am a farmer on the Merrivale Estate. I hold Sections 45 and 46, consisting of 230 acres. It is all open land, and was all in artificial grass when I got it. My rent is 5s. 2d. per acre. I have gone in for mixed grazing, but principally grazing sheep, and this season cows.

288. How many dairy cows have you?—Eighteen.

289. Do you find your rent rather too much to pay conveniently?—Well, owing to the sections being so small it is difficult to make a living on it and pay my way. If I had more land I could do better, because my present plant would be sufficient.

290. In the dairy business a little more labour is involved, but does that improve your position?—I am doubtful if it does. I am strongly against dairying, but they all maintain that it is an acquisition to the farmer. I have not had much experience of it. The only thing I see in favour of it is that it keeps your children under your own roof and enables you to keep an eye on them.

291. What is your opinion in regard to the lease-in-perpetuity tenure?—I believe, myself, it would be better for all hands if they could get the right to purchase.

292. You think they should have the option of purchase?—Yes.

293. *Mr. Johnston.*] How long have you been on the settlement?—I have been in the Merrivale district twenty-six years, and upon the settlement, off and on, for eight years.

294. Do you consider the rent too dear?—On many places it is too dear, and on my own place it is too dear for the area. If my section was double the size, of the same quality of land, I would be quite satisfied to take it at my present rent.

295. Do you consider the whole block overrented?—Yes, very much. I would not take some sections up if they reduced the rent by two-thirds.

296. *Mr. Anstey.*] Your section apparently comprises some of the best land on Merrivale?—Yes.

297. What area would some of the lower-valued sections require?—I think some of them want from 1,400 to 1,500 acres to enable a man to make a decent living and bring up a family. There is another thing I would like to mention. Under the lease in perpetuity we are rated on the loading that is put on the land. We pay interest on the loading and the County Council rate us on it as well. I think that is wrong. Under the perpetual lease the Council get some of the rent back from the Crown to make roads, and the settlers are not rated on that, but on the actual value of the land. We think we are labouring under an injustice in that respect.

#### WILLIAM SAUNDERS examined.

298. *The Chairman.*] What are you?—I represent my son, Samuel Saunders, who is a tenant on the Ringway Estate. He has been there about four years, and he has the homestead block of 599 acres. He is paying 4s. 2 $\frac{1}{2}$ d. an acre on the land, and about 1s. 10 $\frac{3}{4}$ d. an acre sinking fund on the improvements. He is grazing cattle, sheep, and horses. I have also been asked to speak on behalf of other settlers whose grievances are as to the extremely foul condition the ground was in when we got it. 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 head its way through it. The pastures were old, and when the Government acquired the property it was winter, and at that time of the year the thistle does not show much. It is fatal to cropping,

but it does not destroy the value of the land wholly for grazing when you once get it into grass. My son's land is remarkably good. It carries a large amount of stock. My son's grievance is as to the valuation for improvements. The amount paid for them was excessive. I think that more power ought to be given to the Land Board with respect to an allowance for improvements. At present the reply of the Board is that they have no power to make any variation. We are living under a reign of terror in connection with the Noxious Weeds Act. It would cost more than the freehold value to clear some of the rougher portions. I think it would be better for the Land Board to impose a small rate and clear the thistles themselves, and then they would become acquainted with the cost and difficulties. I think it would be well if the Department would in the case of rabbits do the poisoning all over the district. As to the Land Board, so far as I know the members have been selected from different parts of the provincial district, and they are generally practical farmers who know the difficulties we have to contend with. I have not heard of any better system of appointment. As a rule, I believe in the election of public bodies, but it is very necessary that members of a Land Board should be men of practical knowledge, that they should have a knowledge of the different districts, and that they should be independent.

299. *Mr. McCutchan.*] Could you suggest any practical means of eradicating the Californian thistle and ragwort?—No; but I think we should endeavour to get scientific information with respect to them. Ragwort can be kept down to some extent by grazing sheep on it.

300. As to trapping rabbits, do the settlers get a royalty?—No; but the farmers and their sons trap them, and get 2d. a piece for them. The companies buy the rabbits.

301. You suggest that the Government should take up the poisoning?—Yes. It is so important that the ground should all be poisoned at the same time and in the proper season.

302. How many sheep does this land carry?—3,300 sheep, one hundred head of cattle, and twenty horses.

303. *Mr. Hall.*] Is the present constitution of Lands Boards satisfactory?—In Southland it has worked satisfactorily so far as I know. It is a system that might be abused, but I have not heard of any abuse here.

304. Would you consider it any advantage to have Crown tenants represented?—I have only heard of that question cropping up since the commencement of the Commission.

305. *Mr. Anstey.*] Are you acquainted with the values of land all round this district?—Fairly well.

306. Can you say whether the rents are too high at Merrivale?—I think what Mr. Scott said was correct—that Merrivale was considered a very favourable purchase at £2 10s. an acre; but the land has never been closely settled. A great deal of money has been spent upon it in putting it into permanent pasture by a wealthy firm. People thought it was very good country, but since it has been cut up it has been found to be variable in quality—some of it very poor, and some very good. Some of the bush land is very difficult to make productive at all.

307. What do you think of it compared with Ringway?—I think the rent of Ringway is a great deal too much. It is very difficult to make sections in Otahu pay rent. Some of the settlers at Merrivale seem satisfied and others dissatisfied.

308. Do you think that the areas in Merrivale should have been made larger?—Yes, because they cannot live by cropping. It is too far from the railway, and owing to the hilly country it is difficult to cart from. They want to make their living by grazing only.

309. *Mr. Matheson.*] With regard to overvaluing of improvements, does it seem right to you that the public purse should suffer by a reduction being made, or is it not more reasonable that your son should suffer for his want of judgment and fight it out?—I think it is a great mistake to think so much about the public purse, whether the Government get 4 per cent. or 4½ per cent. Having the land made productive and settled upon and producing ten times as it was doing before means providing traffic for the railways, and means benefiting the colony in other ways. In view of all these things I do not think it is worth consideration whether the State is getting ¼ or ½ per cent. less.

310. My question is whether the State is justified in making an absolute loss?—It is questionable whether the man who has taken up the land and probably lost money on it should not have a concession instead of a stranger.

311. In the case of the alleged overvaluing of the buildings on your son's property, do you think if you were a Minister in charge of a Department you would feel that you were doing justice to public trust if you reduced the value the tenant applied to take the property up under?—I would say Yes, but I would like to qualify it in this way: that the Minister would recognise that it would have to be reduced sooner or later.

312. *Mr. Anstey.*] Do you not think, instead of getting a 10-per-cent. reduction all round, that the money should be used in making reductions that were necessary?—Yes; I think reductions should be made where they are deserved.

313. Is it fair that the prizes should get a reduction, and others have to pay to the last farthing?—I suppose those who had the prizes are satisfied, and will argue that it is unfair to break a contract and increase their rent.

314. Will you give us your view as to whether you, as a lease-in-perpetuity tenant, would like to have the right of purchase, and, secondly, whether you think it would be politic on the part of the State to grant that right?—I would like to have the concession. I do not think it would be politic to do so. The result would be, I think, that the State would be left with all the worst sections, and all the prizes would be made freehold.

315. *Mr. McCutchan.*] With reference to your statement that if the right of purchase were given the tenants would buy the prizes and the State would be left with the blanks, and you think for that reason it would not be politic to give the right of purchase?—I said I would like to have the right of purchase. I think every tenant would feel that it was a valuable concession to him if at any time he had the option of purchase. I think it would ultimately be a blessing

to arrive as soon as possible at the right rentals for inferior land. Men who have gone on land and who find it inferior are naturally very loth to leave it, even although they know they have made a bad bargain, and I think the sooner that is put right the better it will be for the State and the better for the settlers.

CYRUS SCIPIO SMITH examined.

316. *The Chairman.*] What are you?—I am a farmer in Eastern Bush, and have 190 acres under lease in perpetuity. I have held it for about sixteen years, and am engaged principally in grazing. My rent is about 9d. an acre. I am very pleased with the property. I have made a lot of improvements on the land. I do not think it would do, as Mr. Saunders has suggested, to poison the rabbits over every property at the one time, because there would be a difficulty in feeding the stock. If the poisoning were carried out in a proper manner it might be all right.

317. *Mr. Johnston.*] Are all the settlers at Eastern Bush satisfied with their lot?—I think so.

318. *Mr. Paul.*] Are you satisfied with the lease-in-perpetuity tenure?—Yes; I am fairly well satisfied. If I had the money to-morrow I would not buy it out.

319. *Mr. Matheson.*] Do you think, if the Government took over the poisoning and charged the people a sufficient rate for the men they would have to employ, they would do the work as cheaply as the settlers?—I do not know. We can do it cheaply.

JOHN NEYLON examined.

320. *The Chairman.*] What are you?—I am a settler at Ringway, and have 337 acres. I have been here three years, and am paying 2s. 7d. an acre. My land was partly in artificial grass when I took it up. I have made a considerable amount of improvements on the land, and have ploughed and drained part of it. I use the land chiefly for cropping and grazing cattle. There is a good deal of Californian thistle on the land. If there was any way of getting rid of the thistle the thing would not be so bad, but under the present circumstances it is not very satisfactory.

321. *Mr. Johnston.*] Do you grow any rye-grass for seed?—I have sold some.

322. I thought rye-grass was principally grown here?—Yes, on dry warm ground.

323. *Mr. McLennan.*] Do you broadcast sow the turnips?—I drill them with a drill.

324. But do you thin them again?—No.

325. *Mr. Anstey.*] You do not keep any sheep?—No; I have got cattle.

326. Do you anticipate keeping sheep when you have the pasture again laid down?—If I can manage to keep down the thistle.

327. Do you find land heavily grazed with sheep less liable to run to weeds than when grazed with cattle?—I think there has been too much sheep on that estate in the past.

328. *Mr. Matheson.*] What is your opinion with respect to the leasehold as compared with the freehold?—I think it would be more satisfactory if we were given an opportunity sooner or later of purchasing.

INVERCARGILL, THURSDAY, 2ND MARCH, 1905.

EDWARD HENRY WHITMORE examined.

1. *The Chairman.*] What is your occupation?—I am a printer residing in Invercargill. I own a freehold section of three-quarters of an acre at present, and I have lived in this locality for thirty-one years.

[The witness stated that he wished to complain of the unfair manner in which his land was taxed as compared with adjoining properties.

*The Chairman* ruled that this was a matter affecting the administration of the Government Taxing Department, and did not come within the scope of the Commission.]

ANDREW BAIN examined.

2. *The Chairman.*] What is your occupation?—I am a builder, but I am here at the invitation of the Commission as Chairman of the Bluff Harbour Board.

3. As your Board has very valuable reserves up country, we have asked you to come in case you have anything you wish to say regarding the disposal or administration of these reserves?—I might as well say, so far as the Bluff Harbour Board is concerned, they have no control over the reserves at all. They are administered by the Land Board, and the proceeds from the reserves are sent to the Public Trustee to form a sinking fund for our loans. We pay the interest on our loans out of ordinary revenue. We have between 34,000 and 35,000 acres of a reserve. It is subdivided into three small runs, the rental of which is something like £480 a year.

4. *Mr. McCardle.*] Is the reserve nearly all rough country?—Yes.

5. What value do you place on the property?—I cannot state from memory.

6. Suppose the land was valued now, and the Government took it over and gave you debentures or paid you interest on the capital value, would not that meet your case better than allowing the land to lie as it is at present?—The land would still remain there.

7. It might remain as it is, but under the Government might it not receive more attention in the way of improvements?—The Government are administering it now, and I think if the Harbour Board had the control it would probably be better for the tenants.

8. *Mr. Paul.*] With reference to these endowments, do you approve of parting with the freehold to the tenants?—If the Board got an equivalent for them it would be right enough.

9. Do you approve of parting with the freehold on endowments for educational, Harbour Board, and municipal purposes?—If these bodies got an equivalent, I should say Yes.

10. Can you suggest any equivalent?—It is not for me to suggest anything of the sort. Of course, it would be in money. If these bodies had cash endowments equal to what they are getting for the land there is no doubt, in my mind, that it would be better for the country to grant the freehold.

11. *Mr. McCutchan.*] These endowments are leased for a term of years, and property, generally speaking, is increasing in value, so that when the first lease falls in the second lease is let at a higher rental: do not the bodies interested get a greater revenue in the future by this means?—That is so.

12. *Mr. Hall.*] Do you think it wise, in the interests of the country at large, that municipalities and other local bodies should have the right of disposing of their endowments?—I do not suppose it would be right to dispose of them altogether, because in that case those bodies would lose the whole of their revenue. It would be all right if the Government guaranteed them an equivalent in cash of the rents they derive from their endowments.

13. Is your Board's endowment likely to increase in value?—I do not think so. It is mostly hilltops.

14. Most of the municipalities and Harbour Boards of the colony possess very valuable endowments, and do you think it would be prudent or right to give them power to sell these endowments, from which in thirty years' time they may be getting a much greater revenue than they do now?—Of course, it all depends on whether they are given an equivalent.

15. But are these endowments not for the future?—Well, the equivalent would be for the future too.

16. But the present cash value will not be the future value?—I do not think there will be much difference in the value of the hilltops. Of course, there is a great difference between pastoral country such as we are interested in and town endowments.

17. *The Chairman.*] Your approval of the right to dispose of endowments would depend upon circumstances; you do not say you approve of the principle generally?—That is so.

JAMES LEGGAT examined.

18. *The Chairman.*] What is your occupation?—I am manager for McCallum and Co., sawmillers, in whose employ I have been for the past twenty-two years. I have been in this district for about twenty-five years.

19. Will you state what you wish to bring before the Commission?—I appear on behalf of the sawmillers in this district. First of all, the sawmillers feel that the proposal to reserve 2,500,000 acres as a national park will be a hardship not only to them, but to the community generally by-and-by. At present it is scarcely possible to secure a sawmilling-area in Southland, and in the proposed reserve there are a good many patches of bush suitable for sawmilling. There are no great bushes such as those of Seaward Bush, but there are many that are capable of supporting a sawmill, and in the very near future we are certain to require bushes down there or else close down our mills. We think that the mere fact of a sawmill going through a bush does not affect it all from a scenic point of view. On the contrary, we believe it rather improves it, in this way: The bush in its natural state is almost inaccessible. After the sawmill has gone through and laid off tramways and cut tracks the bush is made accessible to tourists and others. In my opinion, also, the undergrowth which comes about the edge of it improves the bush from a scenic standpoint. As a matter of fact, no one could tell without going into a bush that a sawmill had gone through—that a mill had ever been there. So much timber that is of no use to the sawmill is left that the scenic properties are not at all affected.

20. Where is this bush which you say it is proposed to reserve?—From what I have seen of the map in the Land Office it is down about the Sounds and Fiord country. I have not been there myself.

21. If this scenic reserve is made, you say you will have to close down?—I suppose so. Our mill at present will not run for more than four to six months in the bush we have at present on the West Coast, and if there is no chance of getting more bush we will have to go out of the industry. At the present time we are working under a license from the Land Board. The easily accessible bushes about Southland are either cut out or held already.

22. What is the nature of the timber in the proposed reserve?—Mostly red-pine of a fair quality.

23. Of course, in other parts of the colony the objection to your proposal is that sawmills generally leave a litter of branches which in a dry season are apt to take fire and destroy the remainder of the bush: do you apprehend any danger of that kind on the west coast?—No. We generally want more heat and less wet.

24. *Mr. McCutchan.*] In the event of this reserve being thrown open to sawmilling, would you fix maximum and minimum sawmill-areas?—That is the law at present. They will not grant one sawmill more than 800 acres, but I was going to suggest that where the bush is thinly planted the quantity of bush should bear some proportion to what is considered a fair sawmilling-area. Suppose two sawmill-areas are granted and one carries 10,000 ft. to the acre, that means he will be able to cut 8,000,000 ft. of timber. Another man may secure 800 acres which only carries 1,000 ft. to the acre, then he only gets 800,000 ft. of timber, although he is put to the same initial expense in erecting plant, &c. We think that is an anomaly that ought to be rectified. It seems to us absurd that a man who puts up a small engine of, say, 5-horse power, and does everything in the cheapest way, at a cost of about £300, should be able to hold as much bush as a man or company who puts in a substantial plant and good tramways at a cost of perhaps £3,000. We think the area of bush should bear some proportion again to the amount expended.

25. Under the present conditions is there a time-limit within which the bush must be cut out?—When an area of 800 acres is applied for the Board grants 200 acres of that area and holds

600 acres in reserve, and a miller is allowed three years in which to cut out the first 200 acres. For the remaining 600 acres he is allowed two years for each 200 acres.

26. You think it is a mistake to protect the scenery at the expense of the sawmilling industry?—I think it is perhaps a question of degree. If the scenic business was going to bring 5s. to the Government of the country and the sawmilling only 2s. 6d., it might be a mistake to protect the sawmilling industry if it could not be shown to be of more value than the other. We do not want to be particularly selfish.

27. *Mr. Johnston.*] When you go into a bush and cut out these trees, is it not a fact that a large accumulation of weeds and other noxious growths follow?—Certainly growths spring up.

28. Do you not find ragwort and Californian thistle make an appearance?—I see plenty of them in the open plains, but not in the bush. It is just possible there may be a little, but I would not like to say they follow necessarily.

29. You made a comparison between a large and a small mill: how long will a large mill take to cut out 200 acres?—A large mill might cut out 100 acres in a year, and a small mill spin out the same area to any length of time.

30. What is the total number of hands, roughly speaking, employed in the sawmilling industry in Southland?—I suppose somewhere about a thousand.

31. *Mr. Paul.*] From your experience you believe that the sawmilling industry can be carried on without affecting the scenic value of the bush?—Yes. More than that, it is improved.

32. *Mr. McLennan.*] What capital is put in circulation in wages alone by an average sawmill in a year?—Somewhere about £2,500 a year in bare wages.

33. How many mills do you think would be closed down if this area of land is not open for sawmilling?—At present about sixty mills are working, and just as they get cut out and cannot get more bush they will cease working. Some will run a little longer than others, just as they have acquired areas at more recent dates. I should certainly say that between the next three and six years a great many will close down.

34. *Mr. Anstey.*] Apart from the £2,500 in wages, can you give us a rough estimate of the other expenses attached to the mills?—You may say £1,000 a year safely.

35. You say a fully equipped mill will cut down 100 acres a year: therefore you spend £3,500 on these 100 acres in a year?—Yes.

36. Do you think that the tourist traffic attached to the 100 acres would bring anything approaching £3,500?—I have not studied the tourist question at all, but it seems to me at a first glance to be absurd to suppose so.

37. *Mr. McCardle.*] In your estimate of the money spent by each mill in a year, do you include the amounts paid in railway freight on timber?—No.

38. Can you form any rough idea of the revenue the railway derives from an average mill in a year?—I should say the amount would be from £2,000 to £3,000 a year.

39. Then, not only would the workers of the colony suffer a great loss if the mills were closed down, but the railways would also lose?—That is so.

40. *Mr. Hall.*] Are we to understand that the litter that is left by a mill does not endanger the rest of the bush?—I would not like to say that absolutely. There is just a possibility after the bush has been felled that the danger from fire might be increased.

41. Of course, you admit that the bush is something which cannot be reproduced at any cost?—Yes. It is a question of the relative values of the different industries.

42. *Mr. Anstey.*] Is there more danger of fire spreading and destroying standing bush before the bush is cut, or while it is being cut, or after it has been cut?—I should say there is more danger after the bush is cut; the danger would be slightly increased in an exceptionally dry season, but this danger does not apply with the same force in the south as in the north.

43. Is there not much danger of fire in a standing bush?—Fires do go through the bush owing to the carelessness of tourists and sportsmen. I do not know of any extent of fire that has happened through that cause.

44. *Mr. Johnston.*] Do you know how long it would take to cut out the timber in the proposed reserves?—I have no idea at all.

45. Of course, the sawmills only last until the timber is cut out, while the tourist traffic will last any number of years?—Yes.

46. And there will be a greater income from the tourist than from the sawmills eventually?—Yes; but I hold you can have both industries.

47. *Mr. McCutchan.*] Will the setting-up of buildings and wharves in these sounds in connection with the timber industry be likely to lead to a development in the fishing industry?—There are signs of it at the present. The fishing industry has started within a few miles of the present site of our mills, and there is a talk of further development.

#### THOMAS HANNAN examined.

48. *The Chairman.*] What is your occupation?—I am a labourer, and I hold a village-homestead leasehold section of 5 acres in Block II., Seaward Bush. I have held it eighteen years, and it is a perpetual lease without the right of purchase.

49. What do you wish to bring before the Commission?—I wish to state that I would like to acquire the freehold of my section. In the olden days I came here to populate the country, and I reckon a man who has had a family of thirteen, eleven of whom are now living, has a right to his little bit of freehold. I may say I had to make 20 chains of road to my section at half-cost, and I have spent all my spare labour on it. All my section is cleared and half of it, which is all that is fit for cultivation, is cultivated. My wife has also a section of 6 acres some distance from me under perpetual lease, but she has the right to purchase. I paid £5 for my section to begin with, but the value to £4 10s., which I still think is high.

50. *Mr. Anstey.*] Do you think 5 acres are sufficient for a man to live upon?—No.

51. Would you be better off if you had an increased area?—I would, because I am keeping my section instead of it keeping me.

52. Would you rather have the freehold of the small section you have than the leasehold of a fairly large area?—Yes.

THOMAS LYON OSWIN further examined.

53. *The Chairman.*] Have you the returns we asked you to prepare?—Yes. I wish to state that I have had to amplify them somewhat. The number of mortgages asked for does not of necessity agree with the number of securities, because the same securities may be mortgaged more than once. The following are the returns:—

ADVANCES TO SETTLERS, SOUTHLAND.				£
Amount of current mortgages on freeholds	...	...	...	395,130
Amount of current mortgages on Crown leaseholds	...	...	...	16,825
Total number of freeholds mortgaged	...	...	...	795
" mortgages on freeholds	...	...	...	841
" Crown leaseholds mortgaged...	...	...	...	129
" mortgages on Crown leaseholds	...	...	...	149
Analysis of tenures of Crown leasehold securities--				
Lease in perpetuity	...	64,	in four cases, freehold also included.	
Occupation with right of purchase	...	20,	in one case,	"
Perpetual lease	...	31,	"	"
Deferred payment	...	3,	"	"
Small grazing-run	...	5.	"	"
Occupation with right of purchase, perpetual lease, and lease in perpetuity, mixed	...	6.		
Foreclosures on Crown leasehold securities since inception of lending scheme, nil.				
Loans on Crown leaseholds declined by Lending Board during last three years: Number, 30; amount, £3,185.				

GEORGE RICHARD HILTON further examined.

54. *The Chairman.*] What do you wish to further bring before us?—I have brought the documents bearing on my case, which I stated to you the other day [witness read the correspondence]. If you think it worth while I could give you the difference between the legal costs in connection with mortgages and leases from the Government and from private persons. It cost me exactly £12 15s. 5d. to get £200 from a private person.

55. *Mr. McCutchan.*] Why do you include the re-lease in your statement of costs?—That would be the same in any other case.

56. *Mr. Johnston.*] But you include the two Government mortgages?—Yes; and the total amount is £12. If I had option of a freehold, and had gone to the Star-Bowkett Society, and if I had been a shareholder and had drawn a loan, I could have got the £200 for £3 3s. 6d., and I would have had the privilege of paying off the money in twelve years and a half. I think my case is typical of many others, and I know of numbers of persons who, in view of all the circumstances, thought it was no use going to the Advances to Settlers Office for a loan.

57. What were the total costs in connection with the Advances to Settlers Office—for mortgage, application, and all?—£3 15s. 5d.

58. Is that including the re-lease?—No.

59. Looking at the charges as made in the document you have submitted to the Commission, I make out the total cost under the Advances to Settlers Department to be £1 19s. 6d.—you cannot charge the premium of your insurance and fire insurance?—I said that if I had the option of the freehold I could have arranged the matter without going to the Advances to Settlers Department at all. I admit I made a mistake in the figures I first gave.

60. *The Chairman.*] The larger portion of the expense began when you went to the private money-lender?—Yes. I simply wished to show that in getting an advance under the Advances to Settlers privately the lawyers' expenses are high, whereas if I had the option of the freehold I could have gone to the Starr-Bowkett Society or some other society, and my expenses would not have been half so much.

61. *Mr. Paul.*] Have you not found that it is very expensive having anything to do with lawyers?—In connection with the Starr-Bowkett Society there is a fixed fee.

62. *Mr. Forbes.*] You are in favour of the freehold, are you not?—Yes.

63. You think it is very much better in dealing with land to have the option of the freehold?—Yes; say in thirty years.

64. You are a member of the Borough Council of South Invercargill?—Yes.

65. Do you think the tenants of the borough endowments ought to have the right of acquiring the freehold?—I think it would be better if the law were such that we could give a tenant a tangible hold upon the land.

65A. Occupation with right of purchase, or something like that?—Yes.

66. *Mr. Paul.*] You are of opinion that the lessees of endowments would make better use of the land and if they had the freehold?—I think they would make better use of the land generally.



67. In your evidence the other day you mentioned the case of a freeholder near you whose place was overrun with weeds?—Yes. I said where the freehold was bought for occupation and not merely as a business speculation it might be different. I said at the time that where the land was bought merely for speculative purposes or is lying idle, but if the freehold were acquired for settlement purposes the place would be cultivated; but as it is the leasehold is better cultivated.

ISAAC LAWRENCE PETRIE examined.

68. *The Chairman.*] What are you?—I am a master mariner, but hold sections of land in several parts of this district, including one of 36 acres at Stewart Island, which section I acquired ten years ago. I, however, subsequently saw no prospect of being able to do anything with the land, and could not get anything favourable either in the shape of a sale or lease, and therefore I still hold the land. I then proposed to put a few huts on it with a view of getting some revenue, but was informed that I could not make any improvements—or, at any rate, would get no recognition of them—unless I lived on it. I understand now from what has been told me that unless the improvements are made before the end of seven years you cannot claim the title of the land. I want to improve the land, but I do not know whether it belongs to me or to the Government.

69. *The Chairman* read the conditions of the lease and the section of the Act under which the land was taken up, and said that the witness had not complied with the conditions. [To witness:] Have you anything to say with respect to other matters connected with the land laws?—I think the general opinion of the farming community here is that the Land Board as at present constituted is a very conservative body, and they would favour a partly nominated and a partly elected Board. As to Crown tenants being specially represented on the Board, it perhaps might not be desirable to create a special class, but these men are struggling in the back blocks, and if it would give them a better chance to make a living I do not think the Government would be doing wrong in granting them that concession. There is a close affinity between the country and the town, and we have in the Town of Invercargill a population of close on twelve thousand people, and I think they should also have one representative on the Land Board, because their interests are frequently in the interests of the country. I am in favour of the constitution of the Board being mixed in the way I have indicated. As to land-tenure, there is a consensus of opinion that the deferred-payment system is the very best that was ever introduced in this country, and it is a pity it was ever abolished. As to the lease in perpetuity, it suits some people. It seems a very liberal lease, and the question is simply about the revaluation. I think the money-lenders think it is too good because there will not be a revaluation many times before the end of the 999 years.

70. *Mr. McCutchan.*] Do I infer that there should be a revaluation?—Personally, I think it would be a wise thing, both for the people and the Government, to have a revaluation.

71. The tendency is for land-values to increase in the colony?—Yes.

72. Do you think the tenants would be satisfied to take up these leases and that it would foster land-settlement if there is periodical revaluation?—Some men take up land with very little to carry on with; they mostly go into the back blocks because they have not the means of acquiring the freehold. No amount of labour or brains will make a success of any undertaking without the capital to work it.

73. You have revaluation now in the boroughs for rating purposes?—Yes.

74. And therefore for purposes of raising loans?—Yes.

75. As the tendency in the colony is towards increased values, it would militate against the tenants, would it not, if their rent were to be increased?—I think that if it was fair for the one it would be fair for the other.

76. *Mr. Hall.*] You have a lease in Invercargill: under what tenure do you hold it?—I have a Corporation lease and also freehold land. In the case of the lease there is to be revaluation every fourteen years. I might remark in the case of the land at Stewart Island that I am prepared to make the improvements.

77. *Mr. Anstey.*] Have you ever applied to the Board for the right?—No. In regard to the advances-to-settlers system, I think it has been a great benefit to the settlers, and that it is one of the wisest Acts the Government has ever passed. Of course, there may be individual cases of grievance, but they are bound to occur under any administration. But, speaking generally, the Act has been a benefit all round.

ALEXANDER PYPER re-examined.

78. *The Chairman.*] You are Government valuator in this district?—Yes, and I have occupied that position for about five years.

79. *Mr. Johnston.*] Can you give us an idea of the value of land about Drummond?—Very little of it exceeds £10. Some lots might go up to £11.

80. Have any sections at Merrivale changed hands above what they were originally taken at?—Just one.

81. What was the goodwill over and above the valuation for improvements?—It was supposed to be about £300. I think the area of the section was something over 300 acres, and the transaction took place about three years ago.

82. Have any transfers taken place in Blackmount, north of Merrivale?—No.

83. Any at Otahau?—No; but a great many have given up their land.

84. Any at Keys, near Manapouri, changed hands?—Yes, a small run.

85. What was the goodwill on that?—£500.

86. At Mossburn?—No leases, as far as I am aware.

87. At Beaumont?—A good many have surrendered.

88. At Ringway?—Only one surrendered, but none have changed hands.

89. At Orepuki?—A few leaseholds have changed hands at a big sum. Some of them have been bought for £600, but that was on account of the timber.

90. What has been done at Winton?—Land is of considerable value there.
91. Have any Crown leases changed hands?—There is very little leasehold land there, except in the bush.
92. Would it be possible for you to give us a written statement of the various properties that have changed hands, and the amount of the goodwill over and above the valuation?—Yes; but there are some I could not give you, because they are simply private transactions.
93. Generally speaking, in these settlements that you have valued are the settlers satisfied?—Yes, generally, except about Merrivale. They seem to have done better since they got the dairy factories.
94. *Mr. Hall.*] You spoke of some surrenders of leases at Otahau: do you attribute those surrenders to the land being unsuitable for close settlement?—Yes.
95. It was not because the lessees were unfitted for carrying on farming?—No.
96. Are ragwort and Californian thistle increasing?—Yes.
97. Are they reducing the value of the land?—I believe it would not sell for so much in some parts.
98. In making your valuations you allow for these weeds?—Yes.
99. In land that has been cut out by the sawmills, do the noxious weeds get into the place from which the trees have been removed, or on to the tracks?—Yes.
100. Do they depreciate the land for grazing purposes?—Yes.
101. The Californian thistle is practically all over your district?—Yes.
102. And ragwort?—Yes; but on stations where there are sheep there is very little of it.
103. Is the ragwort in the ground?—No, not on stations where there are sheep kept.
104. But when sheep are taken off does it appear?—Yes, in many places it does.
105. *Mr. McCardle.*] There is a great deal of grass-seed cut in this district every year: do you know whether they take care to cut out all the noxious weeds before the seed is gathered?—I do not think they do.
106. Then, there is a great risk of these weeds being scattered over the colony in the grass-seed?—Yes.

JOHN HENRY TRESEDER examined.

107. *The Chairman.*] What are you?—I am District Road Engineer. I have been in Southland for seventeen or eighteen years, and have been District Road Engineer for two years and a half.
108. We understand that you supervise the expenditure of the money on what is called loading?—Yes.
109. Is there much money expended in that way?—Not since I have been in charge. In respect to four or five blocks applications have been received. We do the work with co-operative labour. The sums I have to deal with are from £100 up to about £1,000.
110. In other words, you cannot undertake good, substantial work: you do practically simply temporary roadwork?—No; we do permanent work.
111. Bridges, macadamising, &c.?—Yes.
112. *Mr. McCutchan.*] Generally speaking, do you find the co-operative work system satisfactory?—No. I think it would be better if it was open tendering, because the men want their mates—one man will not work with another because he does not reckon his as good.
113. You have the fixing of the gangs of men?—Yes.
114. You make it a point if there is a gang to put strong men and weak men all together?—That is the way it generally happens, because some men would sooner not work with old men, and would go out of it altogether.
115. You fix the scale of prices so that an average man working ordinary hours would earn about 7s. or 8s. a day?—Yes; what I consider the ruling wages for the work. They can make 10s. or 12s. a day, some of them.
116. You think it would be preferable to put your estimate on the work and invite tenders, and if the tenders approached closely to your estimate to let the work in that way?—Yes. Before the road is handed over to the local bodies it has to be formed for 10 ft. right through.
117. Have you the fixing of the loading?—No, the Land Board fixes that.
118. They estimate what the work will amount to and load the land to that extent?—Yes. The present Commissioner consults me on the matter; but if they put the loading on the land it would in many cases exceed the value ten or twenty times over.
119. Then, a settler going on the land has no guarantee under that system of loading that he will get a road?—No.
120. *Mr. Paul.*] I suppose quality counts in this work. For instance, you can make a good and a bad road?—Of course, you can make it a temporary or a permanent road.
121. I mean that some permanent roads are better than others intended to be permanent?—It depends on what money is available. You have to make the best of it. You might get £200 or £300 for a road and it might require £2,000 or £3,000.
122. Do you think, under the contract system, the quality of the road would make any difference?—No.
123. The supervision would be a great deal more expensive under the contract system?—Not necessarily. We give them a specification, and when the job is completed according to that specification the work is passed. There is not an Inspector over them all the time.
124. There is no possibility of scamping the work?—They may scamp a little, but if the work is any way near the specification, if it is a fairly honest job, you will pass it.
125. *Mr. Matheson.*] Do you think that money expended under the co-operative system will do as much roading as it would under contract?—No.
126. *Mr. McCardle.*] You have had some experience in running roads through bush and rough country?—Yes.

127. Supposing all the rents were given from sections for interest and sinking fund for a loan, would rents, in your opinion, be sufficient to make the roads through the blocks—say, the rents extended for twenty-five years?—It should for that number of years.

128. Do you think it would do more than that?—In some blocks it would take £7 to £8 10s., and in others only £1 10s. a chain.

129. I am speaking of rough country. Your rough country is disposed of at principally 10s.?—Yes.

130. The cost of your roads is about £240 to £280 a mile—formation, &c.?—Yes. It costs us £1 or £1 7s. a chain for bushfelling, logging, and grubbing 20 ft. in the centre, and then there is the formation and metalling to do.

131. You can only spend the money now as you receive the votes from Parliament?—Yes.

132. And that is a very slow process, and I suppose a great deal of the work you do has to be done over again?—Yes; we have often to resurface the roads.

133. In your opinion, the present system of special votes is not sufficient to meet the requirements of the settler?—No, I do not think so.

134. *Mr. Hall.*] Under the co-operative system a good workman is put in a gang with an inferior man: is that a weak element in the system?—I generally classify them.

GEORGE MACKIE examined.

135. *The Chairman.*] What is your occupation?—I am a sawmiller at Glory Bay, Stewart Island. I have been there between seven and eight years, and I have been sawmilling for thirty years in the colony.

136. Will you state what you wish to bring before the Commission?—It does not appear to me that the scenic beauties of Stewart Island—and I think the same will apply to Chalky Inlet, which I have visited—would be impaired by any sawmilling. My experience of Stewart Island is that in the tourist season a considerable number of visitors visit the island, and it is a well-known fact that these visitors go to the sawmill-sites as places where they can see the beauties of the island. They do not, as a rule, go picnicking in the virgin bush. I am told that my own mill is a favourite. The reason for this is not far to seek. The tramways are a means of access to the interior of the bush, and, in addition to seeing the bush, they can also see an interesting industry at the same time—viz., the conversion of the bush into timber. Botanising can also be carried on in the interior of the bush by means of the tramways, whereas it is almost impossible for a botanist to go into a virgin bush. The only person who goes into virgin bush, and he goes as little as he possibly can, is the sawmiller looking for timber. Even after a sawmill passes through a bush it seems to me that the undergrowth, which comes up in the course of a very few years, has a greater beauty than the original forest. To my view, as a living picture it is much to be preferred. Personally, as a sawmiller, I take an interest in viewing heavy timber, but I think it is sightseers that the Tourist Department mostly caters for; but, so far as I can see, I do not think that any sawmilling is likely for any length of time to do away with the scenic beauty. It would be a great pity to make the mistake of withdrawing the stores of native timber we have in such places as Stewart Island and Chalky and Dusky Inlets for the sake of a very problematical benefit from a problematical number of tourists. So far as Chalky Inlet is concerned, the configuration of the place is very different from Stewart Island. It seems to be more abrupt and the sawmilling timber to be in more isolated patches. The greater part of the Stewart Island bush is not sawmillable, but there are patches here and there of fair bush, and these, generally speaking, are in the more sheltered gullies, where the scenic effect is not visible from the water. I might mention that the greater part of the scenery of Paterson's Inlet consists of second growth, because the milling timber was cut out by a sawmill twenty years ago.

137. *Mr. Johnston.*] You have been down Paterson's Inlet and you can see that a mill has been through the north side?—Yes.

138. Has any mill been through the south side of the country?—My mill was there lately, but that is the only one.

139. Have you noticed the difference between the two, and how the weeds, such as ragwort, have accumulated on the northern side of the Inlet?—There is ragwort, but there is one part where there is an exceptional growth of grass. Generally speaking, however, grass does not grow well there.

140. Suppose you owned the freehold of bush land and you let it for a sawmill, would you insist directly after the sawmiller had cut out that the balance of the bush should be felled and cleared and the place laid down in grass, or would you leave the bush as it is left now?—I think it would be to my interests to fully clear it and lay it down in grass.

141. It would not be to your interest to allow the undergrowth to come up again?—Certainly not, as a farmer. You will observe that I would not be catering for tourists.

142. And if the second growth is allowed to come up the land would not afterwards be so valuable for grazing purposes as it would if the balance of the bush was felled and put in grass directly after the sawmill had been through?—No.

143. *Mr. Paul.*] Certain areas have been set aside as sanctuaries for native game: do you think, if they were opened to sawmillers, the game would be interfered with?—Not in Stewart Island. There is very little game in the Stewart Island bush. The native game about my sawmill are the weka on land and the grey-duck on the sea. There is just about the same number of them as formerly. They become very tame, and you can get within a few yards of a duck or weka. The penguins come ashore and flock about just the same.

144. And, unfortunately, vandals take advantage of their trust and destroy them, do they not?—One of my men shot one of these birds and he was very much ashamed of himself for it.

145. *Mr. McLennan.*] What amount of capital do you think the sawmilling industry in Stewart Island puts into circulation in a year?—At present from £4,000 to £5,000 a year in wages alone.

146. Can you give us the amount of capital the tourist traffic circulates in Stewart Island?—Not nearly as much as that, but I could not fix any amount. The tourist business only lasts for three or four months in the year.

147. *Mr. Anstey.*] Could you tell us what amount is spent in wages on a fully equipped mill such as your own in a year?—£1,200 to £1,500 in my own, but that is a small mill. An average mill would pay £1,800 to £2,000.

148. Can you give us roughly what the other expenses of running a mill would be in a year?—About £350 more.

149. How much ground will be cleared in a year by an average mill running fairly full time?—About 100 acres.

150. You are allowed, I believe, to take up 800 acres of bush at a time?—Yes.

151. When you have cleared those 800 acres, I suppose there is still a good deal of the virgin bush left untouched?—A great deal of it. It is impossible to follow the bush on the maps without losing a great deal of it.

152. Supposing all the restrictions against sawmillers were withdrawn both in Stewart Island and everywhere else, do you think any real damage would be done to the tourist traffic or to the sanctuaries for birds?—I do not think so.

153. You think that quite sufficient bush would be left untouched for both these purposes?—I think so.

154. Can you give us any idea of the amount expended by the tourist traffic in Stewart Island?—There would be about two hundred people there for three or four months in the year, and practically everything is imported for them from the mainland.

155. In which case the tourist brings everything with him to the island?—It looks like it. Practically the whole of the supplies come across.

156. Can you say with certainty that at least three-quarters of the expenditure by the tourists simply returns to the mainland?—I think so.

157. Then, the tourist traffic of Stewart Island is practically worth nothing?—To put it in to the simplest form, the tourist is practically like a person taking his own provisions to a picnic.

158. Then, seeing that is the case, do you think it is worth while subordinating the timber industry to the tourist traffic?—I do not think so.

159. *Mr. Forbes.*] Have you to buy sawmilling bush from private people?—That is done on the island.

160. How much per acre have you to give?—It is a small amount per acre, but the price is generally fixed by bargaining.

161. Do you think a more reasonable way would be for the Crown to sell the timber off the ground before letting it for settlement?—That is the mode adopted at present. In the case of the private bushes that have been sold to the mills, at present they are old workings and the sawmills are going through them again.

162. *Mr. Hall.*] A large portion of Stewart Island is a reservation?—I understand so.

163. Does what you advocate as regards sawmilling apply to the reservation, or only to areas outside the reservation?—To the reservation also, because I think the interests of the Tourist Department would not suffer by the sawmilling operations.

164. Is it good timber?—Not very good, but we can sell it.

165. I suppose your tramways follow the nature of the country and do not run in straight lines?—That is so. They do not destroy the beauty of the picture at all, because they are not visible from the outside.

166. Is there any danger of the litter that is left behind by a mill catching fire in a dry summer?—It is very difficult to burn in Stewart Island. There is very little danger from fire owing to the wetness of the climate.

167. *The Chairman.*] Have your dealings with the Land Board always been of an agreeable nature?—Yes; I think the Board is an excellent body.

168. Hitherto the Boards have been nominated by the Government, and it has been mooted by certain persons that if a change is to be made it would be a good thing to have one or two of the members elected: what is your idea in regard to that?—Speaking of Land Boards as they exist at present, personally nothing could be more suitable than the present arrangement.

169. Then, "Leave well alone" is your motto?—Yes.

170. What is your opinion in regard to the three systems of land-tenure?—Personally, I prefer the right of purchase.

171. *Mr. Matheson.*] You have given your opinion from a personal point of view. What is your opinion from the colonial point of view: do you think the prosperity of the colony would be helped by giving the workers on the land the option of the freehold, or should it be retained in the hands of the Government?—I think that the leasehold under a wise Government is actually the best for the country. However, I am not very pronounced on the matter. Of course, there is absolutely no such thing as a freehold, because freehold is only the right to occupy under certain conditions.

PATRICK McINERNEY further examined.

172. *The Chairman.*] What do you wish further to bring before the Commission?—Since I have been before the Commission I have spoken with a lot of lease-in-perpetuity owners, and I find they are all interested in the question of whether they can receive valuation for their improvements. I know one leaseholder who by his own labour and money had improved his section to the extent of £7 per acre. He wanted to sell out, but he did not see the least show of getting his money back. The Ranger was sent out to value the improvements, and all that leaseholder was likely to get was £3 on each acre for every £7 he had spent. I find so far that all these people are in favour of the right to purchase. I know it is hope that carries on settlement, and no settler could go through the hardships that face him unless he has the hope of getting something for his

labour. I should also like to state that there is a great need of a proper Drainage Act at the present time. We want a simple and compulsory Drainage Act that any man can understand without getting into the hands of lawyers. I suggest that a competent man should be appointed in each district to carry out drainage-works where the people cannot agree amongst themselves. I would also like to make a suggestion in regard to the high country up the lakes way. I was a good deal in that country as a young lad, and seventy thousand sheep and between five hundred and seven hundred head of cattle and two hundred horses were kept on the station on which I was employed. We fatten cattle on the English grasses down about here as we could on the high country. A great deal has been said about the damage done by rabbits, but that is nothing to the damage that has been caused by fires going through the native grasses in the high country. I would suggest that a competent man should be appointed whose duty it would be to flag off the country and see that no burning took place within certain lines. If these places are protected there is no doubt the native grasses will come again in time. I see the question of noxious weeds was brought before the Commission at Orepuki, and it strikes me that if the Government do not do their part as the County Councils and individuals have done theirs the value of land will greatly depreciate owing to the inroads of noxious weeds.

173. *Mr. Paul.*] Do you think the Government should take the power from the County Councils of enforcing the Noxious Weeds Act and administer it themselves?—I should certainly say so. I do not think the County Council administration is at all satisfactory.

174. *Mr. Anstey.*] You tell us a lot of your neighbours have told you they object to the lease in perpetuity because they have a difficulty in selling out their interest in their improvements?—Yes.

175. Are you aware that the lease-in-perpetuity settlers are every day selling out their good-wills in lease-in-perpetuity sections at large premiums?—I was not aware of it. I am very pleased to hear it.

176. Do you know that we have had the evidence of one man who sold out his interest in his lease-in-perpetuity section for £500, getting £200 for his improvements and £300 for his good-will, in a settlement which we are told is valued at least 50 per cent. too high? In this case is it not a fact that the lease-in-perpetuity settler has a much better chance of being recouped for his improvements than a freeholder, because a freeholder could not get 50 per cent. above his value?—It seems like it; but a leaseholder very often finds when he wishes to sell out that an Inspector or Ranger comes along and interferes between the parties.

177. Do you know that if a lease-in-perpetuity holder wishes to sell out he can do so by advertising or by selling by auction without any interference on the part of the Ranger?—I am very pleased to hear it.

178. *Mr. McCardle.*] Do you know of any man who will buy lease-in-perpetuity holdings out at those big prices?—No; and I think the voice of the country is entirely against lease in perpetuity.

179. *Mr. Hall.*] What has been the object in burning the tussock land in the high country?—It has been done recklessly and for no object.

180. Do you think the Government should make it compulsory for the County Councils or the Stock Department to enforce the Noxious Weeds Act?—Yes.

BERNARD MCGEARTY examined.

181. *The Chairman.*] What is your occupation?—I have a leasehold from the Government of 24 acres for a term of ten years, eight of which have expired. When I took up the lease I had no protection for improvements, and I took it up at my own risk. It was offered to the public at the time and I got it at auction. I have improved about 15 acres and fenced the property. I am paying rent on the value of £2 per acre, which was the upset price fixed. I have not improved the remainder of the section because there is no inducement for me to do so. If I could secure the right of renewal at the original rent, or value for my improvements, I would at once set to work to clear the balance of the land and lay it down in grass.

182. *Mr. Anstey.*] What is your land worth to-day?—£4 or £5 per acre.

183. What is the value of the work you have done in effecting improvements?—It cost me between £4 and £5 per acre.

184. If the improvements cost you £5 per acre and the upset value of the land is £2, the present value should be £7?—Yes.

185. If it is worth £7 per acre now, with the improvements taken off the upset price should be £2. Would you be satisfied if you could get a renewal of your lease at its present value, less the value of your improvements?—Certainly.

JOHN HAY further examined.

186. *The Chairman.*] You are Chief Surveyor and Commissioner of Crown Lands in Southland?—Yes.

187. Do you wish to make a further statement?—Yes. If there are to be any alterations in the tenure of land, I would like to say that the deferred-payment system would be a very excellent tenure to reintroduce, extending the period of payment over, say, twenty years, and with no right for capitalisation—that is, to pay off as they go on. Some here, after paying off for a number of years, capitalised the balance and they pay interest on that, and they are still going on paying interest. It would be less trouble in every way. The deferred-payment system as introduced in the early days was a most excellent one. The country which the members of the Commission came through yesterday, between Otautau, past Drummond, and past Winton—the greater portion of that land was settled under the deferred-payment system. I would suggest a twenty-years term.

188. *Mr. Hall.*] That applies only to Crown lands?—Yes.

189. *Mr. Anstey.*] You would not apply it to land under the Land for Settlements Act?—No. With reference to the land-for-settlements tenure, I think that land-for-settlement tenants

should be able to get an advance as soon as they have ample and good security in the way of substantial improvements—as soon as these have been placed on the land. At present, no matter how good the improvements are or how good the security, the Advances to Settlers Office will not advance anything until the tenant has been twelve months in occupation. Sometimes that is a very great hardship, for sometimes I have known instances where a tenant had four or five times the security to offer, and he would not be obliged with even a small sum owing to this regulation.

190. What advance would you suggest they should be given—what proportion?—I think half would not be unreasonable.

191. You think that is better than three-fifths?—For the first year I think half would be sufficient. I do not think it would be advisable to give too much the first year.

192. *Mr. McCutchan.*] Do you not think it is necessary there should be some supervision over the expenditure of the loan? The tenant can now do what he likes with the money—there is no supervision?—I have a case in view at the present moment where a good house was put up and the place ring-fenced, and the person who wanted an obligation could not get £20 or £30 to pay a contract to put a house up. It is to meet such cases as that. The Advances to Settlers Office generally see that the money is well expended, and that the work is going on before they make the advance, and they always know what they are advancing for. I think it is always stated in the application whether the applicant is going to buy stock or build a house.

193. The point is this, and it is the crux of the whole matter: what is done with the money? It would be far safer to offer three-fifths for reproductive expenditure than to lend up to half for a house. There is no guarantee under present arrangements that it will be utilised either for reproductive works or for a house.

[Mr. Hay then put in a map, showing the lands that were available for settlement purposes in Southland Land District, and also the lands when withdrawn from the State forests when cut out by the sawmills would also be available at some future period for settlement. (For tables see Appendix.) ]

WYNDHAM, 3RD MARCH, 1905.

JAMES MILNE examined.

1. *The Chairman.*] What are you?—I am a farmer, and president of the Wyndham Branch of the New Zealand Farmers' Union. I hold a freehold farm of 300 acres, and have had it for close on forty years. I have been nearly fifty years in the colony.

2. What points do you wish to bring before the Commission?—Our union reviewed the terms of your Commission at our last meeting, and I would like to comment on the clauses.

3. What is your idea in regard to the constitution of Land Boards?—I do not think we could do better than continue the present system. I think we have a class of men with a good deal of experience in land and farming, and if a change were allowed we might perhaps get men appointed who have actually to learn their work. There may be weak points in this nomination system, but when the members fall out in rotation there can never be anything seriously wrong about it.

4. What is your opinion in regard to the land-tenure of the colony?—Personally, I am in favour of the right of purchase. I say without any hesitation that the first tenure proposed by Mr. Donald Reid—viz., the deferred payment under the ballot system—is the most successful of any that has ever been attempted in the colony. I say that for the reason that I consider people who take up land under that system have more inducement to try and make homes for themselves than under the present system. There is no doubt a natural feeling in every man to have a bit of ground of his own, and under the system that I have mentioned a settler who went on the ground with not much means but plenty of energy soon made a home for himself. He had something to induce him to persevere, whereas if he has not the right to the freehold he has not the same force behind him to urge him along.

5. As a matter of observation, have you seen how the lease in perpetuity works?—I have not seen it to any great extent. We have the Glenham and Edendale Estates in our district. The latter has only started.

6. What is your opinion of the lease in perpetuity as you see it at Glenham?—I believe there are some very weak points attached to it.

7. Of course, we know there is a great force in sentiment, but if you can divest yourself of that sentiment you must recognise that the lease in perpetuity is for a very long period, and that a man is perfectly safe to put in improvements, because he cannot be dispossessed of them?—I have taken a great interest in this question and have thought over all the phases of it, but whatever view I may take I always get back to the freehold. So far as the question of the effect of climate and land-configuration in settlement is concerned, I think there is a good deal in this that requires consideration. You might lay down rules and regulations to suit Southland which would be laughed at by the northern people. So far as climate is concerned, there can be no comparison between the land here and that in South Canterbury and North Otago. I also think that those who have had to do with the settlement of the land in this district have not given enough consideration to the patchy nature of the soil. It is very difficult to fix the price of land, because you may get excellent land on one side of a fence and poor on the other. In this rolling country you get the best land on the top of the ridges, when one would naturally expect to get it along the creeks and rivers. It is just the same at Edendale.

8. In dealing with the remaining Crown lands in this district, is there anything you can suggest that would tend to bring them into cultivation? It has been suggested that the homestead system might be adopted in regard to the poor land which has been lying surveyed and unoccupied for the last thirty years, to my knowledge—that is to say, a man should be given the land for nothing under certain improvement conditions, and after he had fulfilled these conditions he

should get a Crown grant: what do you think of that?—It might be worth while trying it, but the country would have to be cut up into pretty large blocks. I would not advocate the adoption of the old farm-homestead system under which the Government gave the settlers money to build houses and to fence and grass in this country, because I think the Government would only be sinking money which they would never see again.

9. Have you had any personal experience of the ballot?—No. But I think the present ballot system might be improved. I do not like the idea of grouping sections. It might be all right from the point of view of the Government, but as a settler I think I would like freedom of selection if I were applying for a section. These remarks apply particularly to the south, where the land is so patchy. Under the grouping system there is always a liability of getting a section you do not want.

10. But you do not disapprove of the ballot system?—Oh, no. So far as loading lands for roading is concerned, there is a lot to be said for it. The weak point, in my idea, is that in a good many districts, although the settlers are paying interest on the money, the loading is not expended for a considerable time, and it is very hard on settlers who are struggling to make a start to have to put up with that when this money is unexpended. I do not think there is any great harm in the loading so long as the money is expended expeditiously.

11. If it were possible it would be well to expend it before the settlers are put on the land?—Yes, but it would be hardly practicable. In regard to borrowing under the Government Advances to Settlers Act, I think a weak point in that system is the time that a settler has to be on the land before he can apply for an advance. He has to reside twelve months. That is a drawback, because very often when a settler starts he has not overmuch money, and I do not see why he should not be allowed to borrow right away, as soon as he has put in sufficient improvements to provide safe security for the loan. If a settler is sure of getting his money he is always in a position to make a better bargain, and very often he will be able to build himself a more comfortable home than he otherwise could.

12. Your view is simply that there should be no time-limit at all?—Yes; I think when the security is there a settler should be able to borrow.

13. Is there any aggregation of estates going on in this district?—I do not think so. One farmer sometimes buys out his neighbour, but that is all. I am not a believer in the land being tied up in large blocks, and never was.

14. What do you think should be the maximum area a man should be entitled to hold of first-, or second-, or third-class land?—Of course, it is all a matter of the quality of the land. I think that the good land in Edendale is very fairly divided, but I think the size of the poor sections should have been larger.

15. Do you think that purely pastoral country should be cut into large runs?—Yes. I have had a good deal of experience with runs, and I think it would be a very good idea if some mode could be adopted by which this large extent of hill country could be improved by surface-sowing. I think it would be a great advantage to the Crown as well as to the runholders.

16. At present the maximum term of a pastoral lease is twenty-one years, and they are only allowed the improvements up to three years' rental if the rent is over £50, or to the extent of five times the rental if it is under £50: do you think that if more liberal terms than these were allowed it would induce men to improve the land by surface-sowing?—I think that the actual valuation of improvements should be allowed.

17. In regard to surface-sowing, of course one man might do an awful amount of mischief by sowing inferior seed and weeds: would you advocate any restrictions in this respect?—By all means. I think the seed should be examined and tested by the Government before it is sown.

18. Do you think that these great mountain pastures should remain for all time the property of the State, or do you think there should be an opportunity given to make them freehold?—I think there should be an opportunity to make them freehold; but at the same time I do not think anything could be done with them until they are considerably more improved than they are at present.

19. What is your idea in regard to the Government providing good seed?—It would be all right if they were careful. I think it would be a great advantage over the present system.

20. In fixing the rent of these runs, would you fix it absolutely for a term, or would you favour a sort of sliding-scale according to the number of sheep shorn?—I would not be against a sliding-scale, because I think that if the Government provide seed they are to a certain extent laying out money, and I think it would be only fair that the rent should be fixed according to the number of sheep shorn.

21. We are asked to inquire and report whether each area of land leased under the Land for Settlements Act should have a separate occupier, and the area not be increased or the boundaries altered without the direct sanction of Parliament: do you think it would be judicious to embody these conditions in any new legislation?—It might, but I have not given any thought to the subject.

22. *Mr. Johnston.*] You have occupied a position on the County Council?—Yes.

23. Where is the weakness in the lease-in-perpetuity tenure?—I consider a man has more encouragement to persevere if he has a chance to make the land his own.

24. Suppose a poor man wants to get on the land, do you think it is advisable he should get it under lease in perpetuity at a lower rent, or with the right of purchase at a higher one?—I think it is better he should have the option, because it encourages him to persevere.

25. Has the value of land increased or decreased in this district?—The rates have increased very much. I think the land-value has increased to a certain extent, but that is largely owing to the good times of the last few years.

26. Is land of the same value now that it was twenty years ago?—Well, Edendale was selling as high twenty years ago as it is now, but that is nothing to go on, because there was a boom then. The company got from £11 to £12 per acre for land between the ferry and the railway-line.



27. Have the Californian thistle and the ragwort anything to do with the decrease in the value of land?—I do not think so, because we are very little troubled with it here. We have a good deal of ragwort here, but I do not regard that as a great evil, because sheep will keep it down.

28. Do you think there is serious trouble in the future in connection with the Californian thistle?—I do, if it is not kept down. It is hardly worth mentioning about Wyndham, but away back in the rough country it is very bad.

29. You said the climate was very much worse here than in the north: have you been in the north?—I have travelled through it, but I have no experience of it, except that I have one son in the Taranaki District and one in the Waikato.

30. Do you know anything about the Waikawa Settlement?—Yes. I had some little experience of it when it was started. The principal thing I did not like about the Waikawa Settlement was the way in which the Government scattered money about in trying to force settlement. After the ground was cleared and grassed to a certain extent, the settlers, in their effort to make the settlement a success, tried to start dairying, and as I was an old dairyman I was asked to select the cows for the settlement. I was not bound as to price, and as at the time cows were cheap I got a really good lot together at easy money, which ought to have enabled the settlers to make a good start. While driving them to Heathfield I met an old farmer who asked me where I was going, and when I told him they were for the new settlers at Heathfield he said, "The cows are all right, but you should take the milkers with them." I found he was quite right, for I never saw such a helpless lot as the people there. They knew absolutely nothing about dairying, and after two or three days there I came away disgusted. The settlement was also a failure, for this reason: In Southland, after bush country has been cleared for a year or two, an undergrowth comes up on the ridges that lie away from the sun, and unless it is checked it spreads over the country and renders it useless for grazing. That proved to be the case at Waikawa, and now, unfortunately, the settlers there, and especially the young people, are leaving the place. I think that system of settling people on the land is bad from a colonial point of view.

31. If the settlers had been good men would the settlement have been a success?—I do not think so.

32. You do not think the land was suitable for them?—No. Of course, there is a large Maori reserve along the coast, and it takes in all the best land.

33. But the main point is that the men were not suitable?—Yes; and the Government pampered them too much.

34. Of course, you know it was an experiment, and an endeavour when things were very bad to put people on the land?—That is so.

35. Do you say it was a mistake to put the bush into grass here?—I do not say it was a mistake, but I say it was done long before the people were ready for it. If it was done fifty or a hundred years hence, when there are more people to occupy the land, it might be a success, but it was not possible for a man on 150 or 200 acres to keep this undergrowth in check.

36. If the land was properly farmed, could not the undergrowth be kept down by cattle?—No. My experience is that it can only be kept down by cutting. Some extra good settlers have kept the undergrowth down on certain portions of their holdings, but if they went and cut the whole of the growth the paddocks would not produce enough to pay them for the labour.

37. Do you mean to say that in the country about here the undergrowth comes up and kills the grass?—It does on the hills away from the sun. It is practically useless to clear the bush in these places.

38. Then, would it not have been better to have left the land in bush and put a sawmill in?—I cannot tell; but there is not much sawmilling timber there.

39. Are the other settlements about here a success?—There is the Fortrose Settlement, which was settled under my pet scheme of deferred payment, and they are doing all right.

40. Have you owned any of the high country you referred to?—I did, along with my son, but he holds it now. It is at Wakatipu.

41. How would you propose to settle that land?—I think the suggestion made by the Chairman is the best. Of course, there is a good deal of that tussock country you could never burn.

42. Have you any other alternative besides burning? We had a witness who proposed running a rough harrow over it, and sowing it then?—The only way is to burn the portion that will burn.

43. *Mr. McCutchan.*] Is there not this objection to the deferred-payment system as against the lease in perpetuity or the right of purchase: In former years, in Taranaki, sections were laid off alternately for cash and on deferred payment, and if a cash section was valued at £2 the value of the deferred-payment section was priced at £3, or 50 per cent. higher, whereas under the 999-years lease, whether you buy for cash or under lease, the capital value is the same?—That is an objection to the deferred-payment system, but down here there was not much difference. If the cash price was £1 the deferred payment was £1 5s., and I think the Government were quite justified in asking that 25-per-cent. increase.

44. Then, you hold the opinion that the deferred-payment system should be substituted for the 999-years lease?—I think it would be a better tenure.

45. I suppose in this district, where there are facilities of all sorts, the present conditions in regard to residence are satisfactory?—I think so.

46. In regard to the question of loading, you say there is frequently dilatoriness on the part of the Government in spending the money?—That is so.

47. And the point is that the Government collects the interest and in the meantime retains the principal?—To a certain extent, yes.

48. Do you think the loading should be terminable, or do you think it should go on for the whole 999-years lease?—That is a difficult question to answer.

49. The Government collect 5 per cent. interest, and in fourteen years at compound interest

that wipes out the principal: do you think the loading should then terminate, as a road is a colonial work?—I do not think there would be any harm in that.

50. Do you think the fact of the Government buying seed would be of much assistance to a man who always took great care in selecting his own seed?—It would be a certain amount of assistance, because I know a case in this district of a man who is quite an intelligent farmer and understands seeds thoroughly well, and who held a lot of rough country, who, instead of selecting seeds, went to people who have a grass-cleaning machine and bought up all the rubbish he could get from them. He carted the stuff to his run and sowed it, with the result that the place was completely overrun with Californian thistle in a few years. I think the Government have a right to protect their own ground, and I think their control would be a check on private people who are too apt to buy their goods as cheaply as possible.

51. Your opinion that the rent of hilly country should be in proportion to the sheep shorn has reference, I suppose, solely to hilly country?—Yes, and country that has been improved by grazing.

52. *Mr. Paul.*] Is there any possibility of aggregation taking place under the deferred-payment system?—No doubt there is a risk.

53. Would you give the tenants of educational endowments and Harbour Board reserves the option of the freehold?—I would not go as far as that.

54. You would conserve those endowments?—I think it would be very dangerous to touch them.

55. Is your experience such as would lead you to the opinion that Crown tenants labour under restrictions inimical to their well-being and unnecessary in the interest of the State?—I have mentioned a few restrictions which I think it would be advantageous to remove.

56. Speaking of the present ballot system, have you any objection to the second ballot?—Yes. I do not see any occasion for it, and I am also against the grouping of the blocks.

57. I understood you to say that there would be no use in giving the holders of pastoral leases the right of the freehold now, because the country is not worth taking up. Do you think it would be equitable to give them the right of purchase after the runs had become valuable? Do you think it is right that after a man has improved a run another man should come along and buy the freehold of it?—Well, if the leaseholder gets valuation for his improvements, I do not see any harm in it. There is no risk of any people buying the runs in the hilly country in their present state. I think any improvement that is made in them will be in the interest of the State as well as the owners.

58. *Mr. Forbes.*] I understand you represent the Farmers' Union here?—Yes.

59. Are you looking at these matters from a colonial standpoint or from the point of view of a tenant of the Crown?—As far as we can, we are supposed to take a fair view from both sides. We do not wish to take a selfish view.

60. Have you studied the land question and the position the Crown occupies in regard to the land-for-settlements scheme? For instance, the Cheviot Estate was bought by the Government ten or twelve years ago, and up to the present time the rents of the settlers have wiped off £100,000 of the purchase-money, and in less than twenty years' time the whole cost of the Cheviot Estate will be wiped off the books altogether, and those settlers will be contributing close on £15,000 to the revenue of the country: would you part, then, with the freehold of a place like Cheviot and lose this revenue for the country?—There is another way of viewing this matter. We all know that Cheviot is the most successful settlement the Government have bought, but you must remember that there are other settlements, like Pomahaka and others, that are not doing nearly so well, and I think, when you group them all together, that the Government will be lucky if they can come out of them on the right side of the ledger.

61. Then, do you think it would be good business to allow settlers on successful estates to acquire the freehold and leave the bad ones on the Government's hands?—I reckon that if a settler works hard to make a home he is entitled to the freehold.

62. But do you think from a colonial point of view it would be advantageous to part with the freeholds in such cases?—I prefer that to the other. You must group the estates together before you can say they are doing the State any benefit.

63. Does the Farmers' Union believe in settling people on the land?—I should think they did.

64. If you part with the freehold of any of these estates, in a few years' time there will be only half the number of settlers on the place that there were when the settlement was opened, because the tendency in these good times will be for settlers to buy their neighbours out and so bring about a reduction in the number of occupiers: is that a good thing?—There is another point of view. Most of these settlers have sons and daughters, and they expect to settle them on these sections. At present the sons are inclined to leave home, because they do not reckon that farming is much good, and if a settler can encourage them to stay on the land by putting them on adjoining property I do not think anything better could happen to the State.

65. But if you part with the freehold of these sections might they not be grouped together, and in time might not one owner hold half the countryside?—That might happen.

66. Do you support that?—Well, it is likely to happen if a man gets a chance, whether I support it or not. But I think feeling in other directions is quite able to cope with that danger. We know the amount of taxation that is heaped on us now, and we know the more settlers we can get the better it will be, because it will spread the taxation over a greater number.

67. But you acknowledge that by giving the freehold there is a danger that the settlers may be bought out, and that less people will be left on the land?—Not less people. I say that if a man works hard and makes a home he is entitled to it if he wishes to acquire the freehold. That is what I dislike about the present system. I say we are serfs, with no freedom of action.

68. You think a man with a freehold has freedom of action?—He is supposed to have, unless he is tied up too tightly.

69. You think a man on a piece of ground who has a chance of getting the freehold has more independence than a leaseholder?—That is the whole thing in a nutshell.

70. Then, logically, you think that any man renting a farm, either from the Government or any one else, ought to have the right of purchase?—Yes.

71. *Mr. Anstey.*] You have just said you are in favour of giving every tenant the right to purchase the freehold, but a little earlier you said you were not in favour of giving the tenants on endowments that right?—These reserves are left for a different purpose, and I am not in favour of touching them just now.

72. You are in favour of Crown tenants having the right to purchase the freehold?—Yes.

73. Are you in favour of every leaseholder having a legal right to purchase the freehold?—Not unless he has a lease with a purchasing clause.

74. Then, you only want one class of tenants—the Crown tenants—to have the right of purchase?—Yes.

75. Would you favour any kind of leasehold, provided the right of purchase was attached to it?—I would not object to it. I hold that a man who is settled on a leasehold has not the same encouragement to persevere and make a home for himself and family as a man with the right to purchase.

76. The deferred-payment system involves the payment of instalments: do you believe that a man when he taken up a piece of land under that system should be compelled to pay his instalments whenever they are due, whether he is able to or not?—Yes.

77. Have you noticed any great differences in the valuations—one being too high and another being too low?—Sometimes.

78. I am speaking more particularly of land purchased for settlement, and the rents fixed: have you noticed any great anomalies?—I have noticed some.

79. Generally speaking, the valuers have done their business fairly well?—The only objection I have is that they value it all too high.

80. I understand that Oteramika is very poor land?—Yes.

81. It has been suggested that the homestead system might be adopted with respect to it: could you suggest any modification of that system with respect to occupation, for instance?—There might be a possibility, but as a whole the country is very poor.

82. With regard to the aggregation of large estates, would it not be very much better to make a limitation of value instead of area in the case of those holding land?—It is very hard to answer that question. I have never considered it at all.

83. *Mr. Matheson.*] Cheviot has been spoken of as being successful. The greater part of the payment of those settlers is for interest and a small portion is sinking fund: would you be surprised to hear that in respect of the sinking fund they have paid £100,000?—Yes.

84. It is suggested that if right of purchase was given to Crown leaseholders there would be an aggregation of large estates: do you think that a simple means might be devised by law to prevent an undue aggregation?—I do not see why it could not.

JAMES CUSHNIE examined.

85. *The Chairman.*] What are you?—A farmer on Edendale Estate. I hold a perpetual-lease section of 90 acres. I have been in this district thirty years, and have been engaged in farming all that time.

86. Would you please state what you want to put before the Commission?—I appear on behalf of the local branch of the Farmers' Union, the same as Mr. Milne. I indorse a great deal of what he has said. There is one thing I have been asked to specially emphasize, and that is the great boon the advances to settlers has been, especially to some farmers in the country, in reducing the rate of interest to a reasonable figure. It has been a benefit in this way: when they want a small loan they can get it without any great outside expense being entailed upon them. It is the desire of the people in this district that the Government should continue the Advances to Settlers Department, and prosecute this policy even more vigorously in regard to small settlers, and more especially in the case of their own tenants. Mr. Milne has explained that a man has to be twelve months on his property before he can get an advance. It is a general complaint in the Edendale Settlement. The Commissioners are supposed to see that you have money to start with, and I dare say they do their duty, but sometimes the price of labour is high and there is a lot of stock to get. If the settlers could get an advance as soon as the improvements were put on it would be a great benefit to many settlers on the new settlement in this district, but at present they have to run themselves into debt, and they cannot make as good a bargain as if the Government paid for it.

87. Is it within your knowledge that there has apparently been unnecessary delay in getting the money even after good security has been shown?—I have heard reports to that effect. I have heard that when you apply for a loan you may get a promise three months afterwards, and they charge interest on the three months before you really get the money. I represent the same branch of the Farmers' Union as Mr. Milne does, and I pretty well indorse the remarks he has made.

88. With regard to the Edendale Estate, there has not been time to know whether the settlers are fairly satisfied with their position; but I presume they are, or they would not be there?—They all seem very hopeful at present. There is one thing that was spoken about, and that is as to having different restrictions with regard to the cropping of the land for different localities. I spent a considerable amount of time with a settler in South Canterbury, and they seem to think the restrictions there as to cropping do not suit them. When land has been lying in grass for some time, when they break it up it takes a great deal of working before it is again in proper order for cropping. They think they should be allowed to have more than two crops off it. The present regulations with respect to cropping would suit Edendale, but apparently they do not suit the people in South Canterbury. I think that the restrictions as to cropping should be made to suit different localities, different climates, and different qualities of land.

89. *Mr. Johnston.*] You had a freehold and sold it, and you have taken up land under lease in perpetuity. You have only been at Edendale eight months?—Yes.

90. Are you satisfied with your tenure?—I am quite satisfied.

91. You do not want anything else?—It seems satisfactory enough; but I think the Government should be a little more liberal with the Crown tenants in regard to advances. They only allow up to half, and in the case of the freehold they are allowed three-fifths, I think.

92. *Mr. McCutchan.*] With reference to advances from the Advances to Settlers Department, do you think a difference should be made between the money obtained for reproductive works and money got for, say, the building of a house? Do you not think it would be safer for the State to make a larger advance for reproductive works than for buildings?—There is no return from a building, but it is necessary for carrying on the work of farming—in fact, it is the first thing a farmer should put on his place.

93. Do you think where an advance is made that there should be some supervision over the manner in which the money is expended?—They do that now, I think. They send a valuer to the place before they advance the money.

94. But afterwards, I mean?—If they do advance the money before the improvements are made I think there should be something to safeguard that.

95. You stated that the loan was charged for from the date of the application: that is not the case?—I said I heard that it was so.

96. *Mr. McLennan.*] You said you were quite satisfied with the lease in perpetuity. As far as you know, are your neighbours also satisfied?—Yes, they seem to be satisfied.

97. *Mr. Paul.*] With reference to the freehold, would you advocate giving it to lessees of education, harbour, and Corporation endowments?—No; but I have never studied that question.

98. You think it wise to have these endowments conserved to the State?—Yes.

99. Speaking broadly, do you favour the land-for-settlements policy as carried out by the Government?—Yes.

100. *Mr. Anstey.*] With regard to advances to settlers, can you suggest any improvement whereby it would be more convenient for the settlers to get advances on their holdings?—I could not suggest any improvements in the existing law.

101. It has been stated over and over again that lease-in-perpetuity settlers have a difficulty in getting loans: can you suggest any way in which that difficulty could be removed?—There is no doubt greater difficulty than in the case of the freehold.

102. Can you suggest any way in which the difficulty can be removed? Supposing they were allowed to pledge their property, should they be allowed to do so?—I do not think it would do to allow them to pledge their property. I think the Government should, however, be as liberal as possible with the settlers.

103. You think the lease-in-perpetuity settler should not be allowed to borrow except from the Government?—I do not think he should be allowed to borrow on the property, but, perhaps, on the stock.

104. You gave us some interesting information about the farmers in South Canterbury: from my experience you are very wide indeed of the mark?—I stated what I was informed by some of the farmers.

105. *Mr. Matheson.*] What does your annual rent amount to?—About 15s. an acre.

106. You prefer the lease in perpetuity at 15s. to the right of purchase at 18s. 9d.?—Yes.

#### FRANK BUTT WHITE examined.

107. *The Chairman.*] What are you?—I am a settler at Glenham Settlement. I hold my land under lease in perpetuity. The area is 219 acres. I have been there about two years and nine months. I am paying 4s. 3d. an acre. I am engaged in dairying and crop about 25 acres a year.

108. What do you wish to say to the Commission?—I would like the freehold if I could get it.

109. Supposing it were offered by the Government on condition that you had to put up the land to auction and take the risk of buying it or losing it, would you be agreeable to that?—I would like to be able to take it up at any time I felt able to do so. At the present time I am not in a position to buy the land out, and I would sooner be under the Government than under any other landlord.

110. You are fairly satisfied with your present holding?—Yes. With respect to the advances to settlers, I made an application for a loan and it was granted. I went on the property with £400, and put up a seven-roomed house and a cow-shed 27 ft. by 23 ft. I expended pretty well the whole of the £400 and then went to the Advances to Settlers Office to see what they would give me on it if I spent the money on improvements. The valuer valued them at £333, which was a great deal below what they cost me. I only wanted £150. After waiting about two months word came from Wellington and I was informed they had considered my case and would advance me £100, and by the time I paid the expenses I only got £97.

111. If you had borrowed privately you would not have got such good terms?—I could have got the money from a neighbour at 5 per cent. if I could have given land as security.

112. But under the lease in perpetuity you got it at easier terms from the Government than you could have got it from any one else?—I could not have got it at all from any one else. I think, if a man takes up a place and improves it in, say, five years to the extent of £1 an acre, he ought to have the right of purchase. I did not apply for the freehold.

113. *Mr. Johnston.*] You knew what you were going in for when you went in for this tenure?—Yes; but it has been put in a different light since. It looks as if we were doing all the improvements on the land for other people to get the advantage of them.

114. But if you are improving your land you are doing so for the purpose of getting an advantage out of it?—Yes; but we have to put money into the land before we can take it out.

115. But if the land is worth more than you gave for it and you have put improvements on it, you can surely get goodwill for it without having the freehold?—I do not think so.

116. You are satisfied with your land except that you want the freehold, although you were perfectly satisfied with the lease in perpetuity when you took up the land?—Yes.

117. No reason was given for only advancing the £100, although you were entitled to half of the valuation for improvements?—No reason was given. The following is a copy of the resolutions passed at a meeting of the Glenham settlers on Wednesday evening, the 22nd February, 1905:—

*Constitution of Land Boards.*—Proposed by Mr. Cartwright and seconded by Mr. White, “That members of the Land Boards should be elective, and that Crown tenants be represented on all Land Boards throughout the colony.”—Carried unanimously.

*Land-tenures.*—The Chairman proposed, “That after five years’ residence Crown tenants have the right to purchase on the original capital value, and to pay such purchase-moneys in such amounts and at such times as the settlers are in a position to do so.”—Seconded by Mr. Thompson, and carried unanimously.

*The Practice of loading Lands for Roads, and its Working.*—Mr. Kirker moved, “That any moneys loaded on an estate for road-making should be spent on that estate within twelve months from the time such estate is opened for settlement.”—Seconded by Mr. Scott, and carried unanimously.

Proposed by Mr. Leighton, “That Mr. White take a copy of the resolutions carried by this meeting as the Glenham representative delegate of Mataura Island Branch of the Farmers’ Union.”—Seconded by Mr. Cartwright, and carried unanimously.

118. *Mr. McCardle.*] Is this land under Land for Settlements Act?—Yes.

119. *Mr. Johnston.*] If the land were freehold now would you be prepared to capitalise it with the improvements you have put on the land?—No.

120. Would you want more?—Certainly.

121. *Mr. McCardle.*] Supposing the Advances to Settlers Act were amended so that you could borrow up to three-fifths of the value, would you be satisfied with the lease-in-perpetuity tenure?—No. I do not want to borrow any more than I can help.

122. What makes you so anxious to get the freehold?—If anything happens to me—I have a family of seven children—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.

123. Would you not be able to divide under the lease in perpetuity with the permission of the Land Board?—No.

124. You mean to say that the feeling of the public is not in favour of the 999-years lease?—Not at Glenham.

125. They are anxious to get the freehold?—Yes.

126. You maintain that in order to get the best advantage from your land you ought to have the right of purchase?—Yes.

127. Considering the great expense of purchasing these estates, do you not think you should have some very vital reasons to offer to the Commission before you can expect the Commission to recommend that the settlers under the Land for Settlements Act should have the right of purchase?—I do not see it.

128. *Mr. McCutchan.*] In the resolutions passed at the public meeting in reference to the right of purchase one resolution advocated payment in sums from time to time, but it does not state whether you expected a proportionate reduction in interest?—That question was discussed.

129. When you applied for a loan you stated the purposes for which you required it?—Yes; for grassing and fencing.

130. For reproductive works?—Yes.

131. *Mr. Paul.*] Would you have been on the land if there had been no leasehold?—Yes.

132. What is your object in asking for the freehold: is it to get more out of the land?—It is simply a feeling that I would like to own the freehold.

133. I have a feeling that I would like to own a lot of things. But giving the freehold would not affect the productive capacity of the land?—In my case it would not.

134. Supposing you had the option of the freehold, would you be prepared to be a Government tenant or a mortgagor?—A Government tenant.

135. You would not mortgage your land for the purpose of taking the freehold?—I would not gain any advantage by it.

136. Would you advocate granting freeholds in the case of leases of harbour and education endowments?—No.

137. Why would you make a distinction?—I have not studied that question.

138. To get down to the bed-rock, is it not a question of money, and that money outweighs sentiment in this matter?—I do not think so.

139. I understand there are about twenty-two settlers at Glenham: how many attended the meeting at which the resolutions were passed?—Fourteen, and two sent letters.

140. Were there any others present besides Crown tenants?—I think there was one.

141. Are you in a position to acquire the freehold if the option were given?—Not at present.

142. *Mr. Forbes.*] You recommend that the resolutions passed at the meeting of settlers be agreed to?—Yes.

143. Suppose a settler puts all his surplus money into a section, and bad times come and his payments get behindhand, do you think it would be in the interests of the Government to let him have it back again to tide him over bad times?—I would not believe in getting it back again.

144. You would “fire him out,” then?—I do not believe exactly in feeding a man with a spoon.

145. If bad times came and the rents were found to be too high, would you not expect the Government to do something for their tenants?—I do not believe in that.

146. If it were a general thing throughout the country there would be more chance of making arrangements with the Government as the landlord than there would be in the case of a private

landlord. If you locked up your money in a freehold you would not be able to meet the position very well?—No.

147. If there were bad times you would be in a better position to spend it under the lease in perpetuity?—Yes.

148. *Mr. Anstey.*] I understand that the Glenham settlers would all like the option of getting the freehold?—Yes.

149. What is your particular reason in asking for the freehold? Do you consider it a much more valuable occupancy of the land under the freehold than under the lease in perpetuity?—Yes.

150. In what way?—You could do what you liked with the land—you would have no restrictions; but, as far as I can see, they are right enough as regards cropping.

151. You know there is a difference of 1 per cent. between the right of purchase and the lease in perpetuity: would you be prepared to pay that difference if you got the right of purchase?—No.

152. You would like the right of purchase at the same price you are paying now?—Yes.

153. You are not prepared to pay for it?—I think I am paying plenty at the present time. If I paid any more I could not live.

154. Is one of the reasons why you wish the option that you have some fear the lease will be tampered with?—That has a good deal to do with it.

155. You think it would be very wrong to tamper with your lease?—Yes.

156. And yet you bring us resolutions passed by the settlers asking the Government to tamper with your leases?—We simply state what we would like.

157. You cannot suggest any way in which the difficulties in respect to advances can be removed?—No.

158. You are in favour of the Land Boards being elected?—Yes.

159. Elected on the electoral roll?—Yes.

160. If they were elected on the parliamentary roll, as the town vote is much greater than the country vote, probably all the town members would be elected on the Board. You say the tenants should be represented on the Land Board?—They should be allowed to elect one member.

161. Is the present Board fairly suitable?—Yes.

162. You have no trouble with them?—No.

163. *Mr. Matheson.*] It has been suggested that if bad times came the Government might see their way to reduce rents: do you not think that if a number of town voters brought pressure to bear on the Government they might see their way to increase rents by a Fair Rent Bill?—I do not believe in either reducing or increasing. I believe in a man carrying out what he promises to do, and if he cannot carry out his promise let him go out of it.

JOHN GRAHAM examined.

164. *The Chairman.*] What are you?—I am a farmer at Mataura Island. I hold a freehold of 250 acres. I have been two years and a half there. I was thirty-five years in the Taieri district farming, and ten years in Tokomairiro before that.

165. Have you any particulars you would like to emphasize to the Commission?—I have thought for a long time that the Chairmen of County Councils would make a very excellent Land Board. They are elected annually, but they might be nominated for three years. I am in favour of the freehold. We came to the colony to acquire a freehold. I think in every British nature there is a wish to acquire a home of one's own. There is no doubt the leasehold is useful in enabling settlers to make a start—those who have no capital—but I think they should be allowed the opportunity of acquiring the freehold when they are in a position to do so. I think that applies not only to country but also to town properties. Even in the towns the freeholds are better looked after than the leaseholds.

166. Do you think the Crown tenants labour under any restrictions that might be removed?—I have had no experience with Crown tenants, but I have a feeling that they are rather much under political influence. A tenant does not like to vote against his landlord.

167. Do you think that the residential conditions are too exacting and require relaxing?—No.

168. You do not think that any modification of the Land Act is desirable on account of the difference of the climate here?—I think that for dairying purposes the climate here is good.

169. What is about the average yield of a cow here?—I should say from £6 to £12, according to the pasture.

170. Some reference has been made to the poor land at Oteramika: do you think any scheme could be devised under which this land could be taken up? Would you approve of the land being offered at a very low rate and not having residence conditions?—That would be useful where the land would not maintain a family.

171. Have you had any experience of the ballot system?—The only drawback is that it gives the inexperienced man an equal opportunity of getting land with the experienced man, and the experienced man would make a better tenant.

172. Is land rising in value here?—Yes, the freehold is.

173. What is the cause of the rise in the value of the freehold land?—Southland land is going up all round, and I think the price will rise still further.

174. Have you had any experience in connection with advances to settlers?—I am very strongly in favour of that policy. I think it is one of the best measures ever passed in the colony; in fact, I must give the Government credit for having passed two of the best measures ever placed on the statute-book—viz., the Advances to Settlers Act and the provision for carrying lime free on the railways.

175. Do you think the tendency is to group sections of land together and increase the size of the holdings?—It is human nature for a man to acquire all he can, but the Government have the remedy in their own hands in respect to preventing an undue increase in the size of holdings.

176. *Mr. Johnston.*] The area of your land is 350 acres?—Yes.

177. What was the price?—£11 an acre.
178. A fully improved farm?—Not all improved.
179. And Californian thistle?—Very little.
180. How many acres do you give to a cow?—An acre and a half on my property.
181. Eleven pounds an acre is a very good profit?—Yes. That entails a good deal of labour, but I have the assistance of my own family.
182. *Mr. McCardle.*] How many cows do you milk?—Fifty.
183. How many of your family do you employ in the work?—There are ten in the family, but several of them are very young.
184. Dairying keeps a family well together on the farm?—Yes.
185. It does not give you a very big average wage?—Not very much.
186. *The Chairman.*] Do you think the endowments which have been referred to might be sold, or should they be kept intact so as to yield income from year to year?—I think that if the body holding the endowments got favourable investments for the proceeds there would be no objection to their disposing of them.
187. *Mr. McCutchan.*] With reference to the ballot, would you give any preference to a married man with a family over a single man?—Yes.
188. Would you give any consideration to an unsuccessful applicant, whether married or single, at a subsequent ballot?—I think if a man is unsuccessful he should have a prior claim to a new ballot.
189. *Mr. Paul.*] Do you favour the land-for-settlements policy?—Yes. Where a man is not able to purchase land he has a chance of acquiring a home under the lease in perpetuity.
190. He can only acquire that home through the land-for-settlement policy?—Yes, I suppose so.
191. By giving the right of purchase to the tenant it would undermine that policy: would you still persist in giving the right?—I do not see how it would undermine it.
192. If by giving tenants the option of the freehold you undermine that system would you still advocate it?—As they acquire the freehold you would have the country settled, and there would be no need for leaseholds.
193. You said that aggregation of land was still going on, but that the Government would always have the remedy to acquire the estates and cut them up?—Yes.
194. As time goes on land increases in value?—Yes, to some extent in some places.
195. This would become a very expensive process as time goes on?—Not necessarily. It is no use acquiring land at more than its actual value, and you should not raise it above its actual workable value.
196. Workable value means two things. Workable value in the hands of a large landowner is different to workable value under proper settlement conditions?—Yes.
197. You spoke of freehold sections in townships being better looked after than leasehold sections?—Yes.
198. Have you no sections in your mind's eye which have been bought for speculative purposes?—Any amount of them.
199. Did I understand you to say that tenants were subject to political influence?—Even tenants of private landlords would not like to vote against their landlords.
200. Do you think the tenants of landlords in Ireland desire to place their landlords in power?—I do not come from Ireland.
201. Have you every confidence in the secrecy of the ballot?—Undoubtedly.
202. You said that freeholds are increasing in value at a much greater rate than leaseholds?—Yes, that is an absolute fact.
203. Take two farms side by side, leasehold and freehold: are they equally productive?—Yes, if they are equally well handled.
204. *Mr. Forbes.*] You cannot say that the settlers at Edendale and Glenham are not cultivating their places as well as those on freeholds?—I have not been long enough at Edendale to say. I know there is a tendency to put substantial buildings and do more substantial fencing on freeholds.
205. Do you not ascribe that to the fact that the freeholders have more money?—No; I think it is because they can dispose of their freehold and get their improvements. Freehold is more negotiable than a leasehold.
206. You have not noticed in this district a marked difference?—Yes; the freeholds have a more homely appearance.
207. They have been longer settled?—Yes.
208. *Mr. Anstey.*] Do you think you could get the same amount now for your land as when you took it up three or four years ago?—I think land has gone up a little. It fluctuates according to the price of produce.
209. Leases have gone up as much as freeholds?—I do not know that they have.
210. Is ragwort more prevalent among cattle than among sheep?—Yes. Sheep are almost necessary to assist in keeping down ragwort. Ragwort would not, I think, become a nuisance at all under sheep.
211. *Mr. Matheson.*] In speaking of the £10 per cow did you mean the milk alone?—Yes.
212. *Mr. Hall.*] Do you not think a leasehold for 999 years is an incentive to good farming?—You have always to pay the six-monthly rent. If you have a farm of your own you have a greater stimulus to work and improve it.
213. Having to pay a rent necessitates good farming?—I do not know that it does. I think it is inherent in British nature that every man should have his freehold.
214. *Mr. McCardle.*] You favour the freehold, but you have stated that the freehold has a tendency to enable men to acquire more land than they have a right to occupy: would you be



in favour of restricting that within reasonable limits?—Yes.

215. Do you not think the State or the people ought to have a say in how much land a man should hold under any tenure?—Yes; and the holdings should vary according to the quality of the land.

SAMUEL THOMPSON examined.

216. *The Chairman.*] What is your occupation?—I am a Crown tenant on the Glenham Estate. I hold the homestead section, and I have been there nearly three years. I hold 540 acres, and one section is valued at 3s. 9d., and the other two at 4s. 6d. Then, over and above that, I have to pay into a sinking fund for twenty-one years on improvements valued at £540. I graze sheep and cattle, and do some cropping.

217. Would you like to express any opinion in regard to the constitution of Land Boards?—I do not know much about them. The present arrangement is very satisfactory. I have heard the suggestion that there should be one member representing the Crown tenants, and I think that would be a very good thing.

218. Regarding the tenures on which lands are held, are you pleased with your lease-in-perpetuity tenure?—Yes; but I would prefer the option of the freehold in case I wanted to buy.

219. Otherwise you have no objection to the present lease?—No.

220. Are you sensible, from your experience, of any restriction in regard, say, to the cultivation of the land that you would like to see removed?—Speaking for myself and in regard to Glenham land, I think the two white crops that are allowed are as much as the land will stand. I think that anything more would be hurtful to the land.

221. Do you think the residence conditions are too exacting?—I do not think so.

222. Do you think it would be worth while introducing the homestead system in order to settle the poor land in this district?—I have had no experience, and I would not like to express an opinion.

223. In regard to the ballot system, were there many applicants for your section?—I was the only applicant. I had no trouble with the ballot.

224. Was there any loading for roads on the Glenham Settlement?—Yes, about £1,000, and it has not yet been all expended.

225. Have you had any experience in regard to the Advances to Settlers Office?—No.

226. In the matter of large estates, are you aware if any aggregation is going on in this district?—I think it is the other way about. So far as I can see, the areas are becoming smaller, because large estates do not pay. The owners are inclined to cut them up.

227. Do you feel you can get on right enough at the rent you are paying?—I cannot form an opinion yet. The greater part of the place is down in old grass and I am ploughing it up now, and I expect better results in the future.

228. Do you think the whole settlement at Glenham is going to get on fairly well?—I think so. It is not quite as bad as the name it got.

229. *Mr. Forbes.*] Would you be prepared to pay an extra 1 per cent. in rent in order to get the option of purchase put in your lease?—If I was assured of getting the 999-years lease I would prefer to have the land on lease rather than pay the extra rent.

230. But you have your lease-in-perpetuity tenure?—Yes; but I very often read in the Press speeches made all over the colony advocating revaluation and that sort of thing, and I do not feel quite as secure as I thought I was.

231. I do not think you have much to fear in that respect?—I hope not.

232. It is a solemn contract between the Government and yourself, and it would take a large change in public opinion before the Government would break such a contract?—Yes, but large changes take place in public opinion. I would like to point out, for instance, that there is a lot of gorse on my place, and it will take a good deal of time and labour to effect improvements, and I know if my place was revalued later on I would not get in improvements anything like the amount I had expended on the place. I prefer the freehold, because I think the freehold settlers are the best settlers for the country. I was Home about three years ago, and in Ireland I saw that those who had purchased their places were making better farmers than those who did not hold the freehold.

233. But the men who buy their places are probably the pick of the farmers?—No; every one who could get the option of the freehold at once bought; and to show you what the British Government think of the matter I may state that they have recently raised £100,000,000 to enable the tenants to buy out their freeholds.

234. If you were given the option of the freehold you could sell your place to your neighbour?—Yes.

235. That would mean one man on the two sections instead of two?—I might cut the place up and sell it to two or three people, or give it to my sons, if I had the freehold. I cannot do that now.

236. If you cut up your place into two or three sections could two or three people make a living off it?—I think my place would be better cut up into two or three sections than in one. It is close to a dairy and railway, and it could be worked to much better advantage if it was highly farmed.

237. *Mr. Anstey.*] Do you not think that the fact of farmers and settlers meeting and asking the Government to vary their contracts has also done a great deal to create a feeling of uneasiness in the minds of farmers like yourself: for instance, we had a resolution passed at an influential meeting of Glenham settlers before us to-day in which they asked the Government to vary their contract?—It might have that effect, but I think that if it is for the good of the country as a whole that the contract should be varied it is right to do so.

238. Then, if it was good for the country as a whole that your lease should be revalued and your rent raised, say, from 4s. per acre to 7s. 6d. per acre, would it be right to do that?—I do not think there is much chance of my land being valued at 7s. 6d. per acre.

239. *Mr. Matheson.*] Did you see when you were in Ireland the settlement under the new Act which enables the settlers to obtain the freehold in time?—Yes.

240. And you say there is a great eagerness to get the freehold in those districts?—Yes.

241. And you think it is creating a better feeling in these districts than existed before between the landlords and tenants?—Yes.

242. *Mr. Hall.*] Would not the fact of the Government selling the freehold in this country have a tendency in the future to create petty landlordism?—I do not think so. The fact is that large estates do not pay at the present time, and if they do not pay I do not think people would be inclined to buy them up.

243. But while 1,000 acres might be considered an ordinary farm now, a hundred years hence it might be a little estate, and so bring about a petty landlord class?—I think the Government could easily pass legislation to restrict the area. I think small estates are better for the country as a whole.

244. Do you think that any one could seriously suppose that the Government will repudiate these tenures for 999 years?—I think the Government could pass any Act they liked that they considered beneficial to the country as a whole.

245. Would not the same thing apply to the freehold? Might you not as reasonably suppose that the Government would tamper with the freehold as with the other?—They have done it in some cases.

246. In that case, then, the advantage as regards the security of tenure is no better for the freehold than for the 999-years lease?—That might be so.

247. *Mr. McCardle.*] Mr. Hall has put a question to you about the creation of petty landlords: would it not be equally bad if the leaseholder sublet his holding, as he can do with the approval of the Land Board?—I do not think the approval should be given.

248. You have also referred to the fact that the State has power to restrict areas?—Yes.

249. Do you not think it would be a wise and good thing for the Government to pass an Act to restrict the area so that no one man should hold more than a certain area in fee-simple?—I think so.

250. You have possibly seen in the English Press that there has been a great tendency of late years for all the agricultural people to crowd into the cities, and that the State is seriously considering the desirability of offering the land on a freehold tenure throughout England and Scotland in order to induce settlement?—That is so.

251. Then, your idea in advocating the freehold is to encourage in every form you possibly can the best settlement of the country?—Yes.

252. And it enters into your mind that if the desire for the freehold is only a question of sentiment it is a desirable thing that the sentiment of the people should be given effect to as far as possible?—Yes.

253. *The Chairman.*] Did you hold a freehold before you went to Glenham?—No; I have always been a leaseholder. I held private leases.

254. Suppose that ten years hence you have a nice place at Glenham but you are dissatisfied with it, and suppose the Government came to you and said, "Well, if you are dissatisfied we will have your land valued and your improvements valued, and we will put the place up to auction, and whatever price is given for the property you will be secured in respect to your improvements, but if the property brings a greater price than the upset the excess will go with the land and not to you": would you like that?—I do not know, because the price of land might be higher or lower. I do not think it would be fair. I believe in sticking to a contract if it is carried out straight and fair.

255. *Mr. Paul.*] Then, providing there is no revaluation you are prepared to stick to your lease in perpetuity without the option of the freehold?—Yes; but I should prefer the freehold if I could get it.

GEORGE CROSSBIE examined.

256. *The Chairman.*] What is your occupation?—I am a settler at Glenham. I have been there about two years, and I hold 459½ acres, for which I pay 3s. 9d. per acre. There was a house on my land when I took it up, and it was fenced and laid down in grass. I graze sheep and cattle, and do some cultivating.

257. Are you satisfied with your conditions after your two years' residence?—I am satisfied, but I should prefer the right to secure the freehold.

258. I was referring to the question of rent?—I am not quite sure on that point, but I feel it is high enough certainly. I think I have been helped by the fact that the seasons have been rather better than normal, and the market prices have been fairly high.

259. Is there any special point you would like to bring before us?—Not further than my desire for the freehold. I am one of the deputation appointed to represent the settlers.

260. Do you think the present constitution of Land Boards is satisfactory?—I think it is fairly satisfactory. I do not think there is any pressing need for an alteration in the meantime.

261. Had you any experience of freehold before you came to Glenham?—No.

262. Have you any views in regard to the homestead system?—I know nothing about it.

263. Have you had any experience of the ballot?—No; I was sole applicant for my section.

264. Have you anything to say in regard to the system of loading for roads?—I am not interested in the question personally, because I am on the main road, but there is a good deal of dissatisfaction amongst those in Glenham who are interested. Settlers have been complaining ever since they have been there about the roads. I know one settler who has no means of access to or from his section yet. The road has been started but not completed.

265. Do you think your land has risen in market value since you got it?—I do not think so.

266. Have you had any experience of the Advances to Settlers Office?—No.

267. Is there such a thing as the aggregation of large estates going on?—No; it is quite the reverse here. The large estates are being cut up.

268. Then, I understand you are fairly well satisfied with your position?—Yes.

269. *Mr. McCardle.*] You heard the questions put to Mr. Thompson and the answers he gave: do you in a general way support his statements here?—I do.

270. *Mr. McCutchan.*] The capital value of your land is £3 15s. per acre: is it at that price you desire to get the freehold?—Yes.

271. Your opinion is that the 5 per cent. the State gets reimburses it in full and that anything else on the land is the property of the tenant?—Yes.

272. *Mr. Paul.*] Were you present at the meeting of the Glenham settlers?—Yes.

273. Was this resolution in connection with the constitution of the Land Boards carried unanimously?—Yes. I might say that only one or two felt strongly on the matter, and the resolution was carried because the others present did not oppose it.

274. You mean to say that because one or two wanted a change the rest of the settlers voted with them?—Yes.

275. And were the other resolutions carried similarly?—Yes. I am now speaking for myself. I do not know anything about the feeling of the others who attended the meeting.

276. Do you agree with the proposal to give the Crown tenants the right to purchase the freehold in terms of this resolution?—Yes.

277. Was this resolution carried unanimously?—Yes.

278. *Mr. Forbes.*] In getting the freehold do you think you ought to pay any more for it than you are paying now?—I think not. I consider I ought to get it at the original valuation.

279. Do you think that is a fair bargain between you and the State?—I think it is a fair bargain for the State.

280. You consider your place would be more valuable as a freehold and that you could sell it to better advantage?—I think so.

281. You would not be prepared to pay the 1-per-cent. difference between the lease in perpetuity and the right to purchase in order to obtain the freehold?—I would not.

282. *Mr. McCutchan.*] With reference to the question of loading, you say there is dissatisfaction on the ground that the money is not promptly spent though the tenant has to pay interest?—Yes. The tenants feel it is an injustice that they should pay interest and the money is not expended.

283. In some cases is it not rather difficult for the Government to spend the entire loading within a couple of years?—That might apply in the North, but certainly it is a decided inconvenience for a man to have a place and no access to it.

284. Do you think there should be some finality in the matter of paying interest on the loading, or do you think it should continue for the whole term of the lease?—I do not think so.

285. What is your proposal for terminating it?—I have not thought very much about the matter. Our estate is only loaded to the extent of £1,000, and it is not a very serious matter divided over the whole estate.

286. You know that money at 5 per cent. compound interest repays itself in fourteen years, and that if the interest on the loading is continued for 999 years the tenant and his successors will pay the capital sum seventy times over: do you think that when the State is reimbursed for the actual expenditure that should be sufficient?—Yes.

ROBERT MEIKLE McCALLUM examined.

287. *The Chairman.*] What are you?—I am a farmer, and hold 300 acres of freehold. I am also interested in a lease of 300 acres. I have been over forty years in this district.

288. You are Chairman of the Southland County Council?—Yes.

289. What is your opinion in regard to the present constitution of the Land Boards?—I think they are just as good as they could possibly be. You could not get a better Board by election, but rather a worse one, in my opinion.

290. What is your opinion in regard to the settlement of the country under the present tenures, and which tenure do you think will render New Zealand most productive?—The freehold undoubtedly, in my opinion.

291. I suppose you have no real objection to the lease in perpetuity—at all events, in its initial stages?—I have no objection to it at all, because it is a very good thing for a young man or a man who is starting farming, because it enables him to employ his capital in stock and improvements. But I think they should have the option of acquiring the freehold when they are in a position to do so.

292. Do you think there are any restrictions in regard to the present leases that are harmful?—There are some restrictions which are a little arbitrary in regard to bush and swamp lands, such as Oteramika. I think the settlers ought to have a little more license in those places; but in regard to land like Edendale and Glenham I do not think there is anything wrong with the restrictions at all.

293. In regard to the land at Oteramika and down about Seaward Moss, and a large region quite close to the town, we know that the land is most admirably situated, but it is very inferior in quality: do you think the settlement of these areas could be brought about by means of the homestead system, by which a man would get a free grant of the land subject to certain residence and improvement conditions?—Well, it is very difficult to give an opinion. It is exceedingly poor land, and it would not pay for improvements. It would require first to be drained, and it would take a very big main drain to provide an outlet, in addition to a great number of branch drains. I feel sure the expense of this would exceed the value of what could be got out of the land for the next hundred years. I was over the land over thirty years ago, and it is the same now as it was then. It would not feed a woodhen then, and it will not now. I do not think it would feed a rabbit. It is a hopeless case. The only thing that could possibly be done would be to run a few sheep and goats on it.

294. It has been suggested that it might be improved by doing away with the residence conditions—that the farmers in the vicinity might take it up and put a ring fence round it and put cattle on it?—I know a man who has been down there very many years. He gets work here and there, and then he goes and spends his money on his section, and he is poorer now than when he went there. There are others who are in exactly the same position, and others who have gone there have had to clear out.

295. We have had a good deal of evidence in regard to loading for roads, and, as County Chairman, you must be observing how this money is expended: do you think this money when it is expended is wisely expended?—I am not much acquainted with it, but I think the expenditure so far has been fairly done. Edendale is the only block of any size in the Southland County, and there has been no time yet to see what they will do there.

296. The last witness told us that there was loading to the extent of £1,000 on Glenham, and that only a portion of it has been expended yet?—You see, the road-making season is very short in Southland, and that accounts for no great progress being made. Labour of that kind is also very scarce just now. Also, I understand the Government like to give that kind of labour to the settlers themselves, and if the settlers are not in a position to do the work it has to stand over.

297. Do you know anything about the working of the Government Advances to Settlers Office?—I have heard a little about it, and I have heard complaints that people could not get the advances they wanted; but, so far as I could understand, they generally wanted more than the Government would have been justified in advancing.

298. Is there any tendency towards the aggregation of large estates?—No; it is quite in the opposite direction. There is only one large estate in Southland now—that is, the Agricultural Company's, in the Waimea Plains—and they would cut it up if they could sell it. The Edendale Estate was in the market for many years before the Government took it, and only a few settlers took up sections.

299. I think you have some knowledge of the pastoral country of Southland?—Yes.

300. I suppose you are aware that pretty well all the lowlands have been sold, and that only the hills and mountain-tops remain in the hand of the Crown: what do you think is the best way of dealing with that large area in the future?—Well, so far as the good country is concerned, a good deal more could be taken out of it by burning and sowing with grass. In a favourable season grass will take quite well, and the land would then produce twice or three times as much as it does at the present time. The grassing has to be done just in small patches as the season suits, and the man must be on the spot to do it.

301. I suppose it is within your recollection that forty years ago the hill pasture was better than it is now?—Oh, yes. The trouble is due to the rabbits. A great many of the best grasses used to be annuals, and the rabbits kept them down and did not allow them to seed, consequently the pasture got poorer.

302. *Mr. McCutchan.*] Would you be in favour of the Government handing over the amount for loading to the County Councils for expenditure?—The County Councils could expend it quite well; they have the staff to do it.

303. Do you think it would be more in the interests of the settlers to have it done that way?—It all depends whether the Government spend it right or not. The Invercargill Land Board have a good man, and they can spend it just as well as the County Council, and nearly as cheaply.

304. I suppose you use the machinery of the Government Loans to Local Bodies Act in connection with your roads?—We do not borrow; we work by overdraft.

305. At the end of your financial year does your overdraft run up to the limit?—Usually it does.

306. What rate of interest are you paying the bank?—We used to pay 5 per cent., but it is a little bit up now.

307. Can the money be had cheaper than under the Government Loans to Local Bodies Act?—We do not believe in taking on a loan for twenty-six years with a sinking fund attached, because sometimes we try to wipe out our overdraft.

308. *Mr. McLennan.*] Would you be in favour of giving the Land Boards more discretionary power?—Yes, I think so. They want more power to deal with small matters, instead of having to refer them to Wellington. I do not think they would exceed their powers at all. I did a great deal of business with the Land Board for many years in the early times, and I never had any trouble in dealing with them.

309. *Mr. Paul.*] Do you give the option of the freehold to the tenant under your lease?—No.

310. Do you think he ought to have it?—No; he is my son.

311. Do you think the State ought to give that right?—Yes.

312. Do you think the freehold should be granted in respect to endowments?—By no means. They should remain as they are.

313. *Mr. Forbes.*] Would you give the holders of these sections on Edendale and Glenham the right to make them freehold?—Yes.

314. Would you put in conditions to prevent a man holding large blocks of land?—Yes. You have those conditions now, because a man cannot acquire more than 640 acres of first-class land.

315. That only applies to Crown lands; but if the freehold is granted there is no law to prevent a man buying as much freehold as he can?—There is little danger of large estates, because the owners now want to break them up.

316. I do not say large estates; but there may be fifty or a hundred men settled on Edendale now, and in the course of time some of them, if the freehold was granted, would sell out to their neighbours, and the number of settlers might be reduced by half?—I do not think that would harm the country much.

317. Of course, it is the desire to settle people on the land that is causing the Government all this trouble: do you not think it is right to maintain that settlement?—Yes; but these settlers

have sons and daughters, and they want land for them, and if they are in a position to divide their holdings amongst their children, or to acquire a neighbouring farm for them, I do not see any harm in it.

JAMES ALEXANDER SINCLAIR examined.

318. *The Chairman.*] What are you?—I am a Crown settler at Edendale. I have been there eight months, and I hold 230 acres, for which I pay 14s. per acre. My land has all been limed and laid down in English grasses. There is too much old grass, however, and it is running out. Different portions of my holding, I believe, have been limed from six to fourteen years ago. I am cropping a paddock that is supposed to have been done the longest, and it is looking well. I came from the Oamaru district. I was engaged in farming there on freehold, but I left it to take up a lease in perpetuity.

319. Then, I presume you have a great liking for the lease in perpetuity?—Yes, I am in favour of it. Perhaps I should state now that I am here to represent the tenants of Edendale, and to lay before you the following resolutions which were passed at a meeting of the settlers of which I was chairman:—

“*The Land-tenure of the Colony.*—That in the opinion of this meeting leaseholders should have the right to purchase their land, but proper measures should be taken to prevent the aggregation of large estates.

“*Pressure of Residence and other Restrictions.*—It was unanimously agreed that the cropping restrictions be amended, that the tenant paying a high rent should be allowed to crop more than the one paying a low one.

“*Working of the Ballot System.*—That the grouping system be done away with.

“*Loading Lands for Roads.*—That the land should be loaded, providing the money is promptly and judiciously spent.

“*Advances to Settlers.*—That advances be granted to settlers as soon as the necessary improvements are on the ground.”

I have come to support these resolutions. In regard to the question of land-tenure, I may say the resolution does not express my own convictions. That resolution was passed practically unanimously.

320. Was there a large meeting of settlers?—About forty were present. If I remember rightly, I counted thirty-three hands for the motion and about six or seven did not vote.

321. What have you to say in regard to the restrictions about cropping?—I have spent a good deal of time in South Canterbury, at Waikakahi. There is a lot of land there valued at £1 per acre, and the land is so rich that the first two crops were absolutely useless, and yet the owner of that section is only allowed to take the same amount of cropping as a man who pays 3s. per acre. If the settler was allowed to take a third and fourth crop he would probably find them a great deal better than the first two. I think the same thing would work all right at Edendale.

322. What are the objections to the grouping system?—There may be one or two very bad sections, and if one of them falls to your lot under the grouping system you are compelled to take it. When the Levels Estate was cut up and offered for settlement it was distinctly stated at the start of the ballot that an applicant would have to take whatever section fell to his lot or forfeit his deposit. I know of a number of people who would not go in for the Levels ballot for fear of getting bad sections.

323. From your observation, the grouping system at the Levels ballot acted as a deterrent?—Yes. So far as loading is concerned, the settlers are quite agreeable that the land should be loaded, but they want the money spent quickly and judiciously.

324. And you want the same promptitude in regard to the Advances to Settlers Office?—I have had no experience of that.

325. Are there any other points you would like to mention?—I think not.

326. *Mr. McCardle.*] At present the law permits the Advances to Settlers Office to advance up to one-half the value of improvements, and the Premier has recently suggested that the basis should be on a three-fifths value of the settler's interest in the improvements: would you favour a proposal of that kind as an amendment to the present conditions?—Yes; I think it would be an improvement.

327. I think you have stated that your people are in favour of the freehold, but the danger you apprehend from the freehold is that two or three people may step in and buy the freehold and convert, for instance, the Edendale Estate into one large holding again: would you favour an amendment in the Land Transfer Act debarring any person from holding more than a certain area of land?—I would.

328. And you would apply that not only to holdings under the Government tenures, but to freeholds now in existence?—Yes, I would.

329. *Mr. Paul.*] Was the meeting at which the resolutions were carried properly advertised?—A notice was posted up at the factory and the settlers had an opportunity of knowing of the meeting.

330. There are 110 Crown tenants at Edendale?—Yes, I believe so.

331. The majority in favour of the option was thirty-three?—Yes.

332. According to that there was not a majority at that meeting?—Yes.

333. *Mr. Forbes.*] Did you discuss the question of tenure thoroughly at the meeting?—Yes; we had a good deal of discussion.

334. What is your opinion?—I think the Crown land should remain Crown land, but my own personal opinion is that we should be allowed to pay off a certain amount of money and make it a light rent. I am certainly in favour of it remaining Crown land.

335. Was the constitution of the Land Boards discussed?—Yes, and they were satisfied.

336. They did not think the Crown tenants would be better served if they were represented?—It was talked about, and the majority thought we had a good Board.

337. Do you think allowing the Crown tenants one representative would be an improvement on the present system?—Yes; it would be to our advantage.

338. *Mr. Anstey.*] On what terms do these settlers wish to acquire the freehold of their holdings?—On the present capital value.

339. Do the settlers think that when they have got the freehold they will have a better tenure than they had before?—That was the feeling of the meeting.

340. They would not be prepared to pay anything for the privilege?—That was not discussed.

341. They would like to have something valuable for nothing—they would not be prepared to pay fair value for it?—The 1 per cent. was not discussed.

342. If you were offered the right of purchase at a rent of 17s. 6d. and your rent was 14s. without right of purchase, which would you take?—I would probably stick to the leasehold.

343. You said the cropping restrictions ought to be altered: are the cropping restrictions oppressive as far as Edendale is concerned?—I think not. I think two white crops are quite enough.

344. *Mr. Hull.*] In the case of rich land, do you think it would be an advantage to take three or four crops?—Yes.

345. But on other land one crop would be quite enough?—Yes.

346. You do not think it is proper to have one universal system of cropping?—I think the Land Board should have the discretion of regulating the crops in accordance with the character of the soil.

#### BENJAMIN PARKER examined.

347. *The Chairman.*] What are you?—I am a settler on the Edendale Estate. I have 258 acres, and pay 10s. 6d. per acre; 206 acres was supposed to be limed and 52 acres was in a natural state when I took it up. I am engaged in dairying, and have been only eight months in the district. I came from Stirling, where I was engaged in farming. I heard Mr. Sinclair's evidence, and agree with what he said. There are, however, one or two points I would like to refer to. The description of my land was not accurate. It was said that 206 acres was properly limed, but I found that some 60 acres was only limed with a little crushed lime. I expected that the whole of the land would be limed in the ordinary way with shell lime, whereas a portion of it was only limed in the way I have stated, which makes a very serious difference to me. With regard to roads, I think the money should be spent promptly and judiciously, and I said so at the meeting of settlers. Some of our roads are in a very bad state. The summer months have passed, and nothing has been done. I think they should be attended to. Then, a school-site was selected, and I applied to the Education Board, and they were satisfied, and decided with respect to the money to build the school some three months ago. Only a few days ago an officer of the Land Department came up to seek information. One Department is apparently working against the other, and therefore we are not getting our school. Our children have to walk three or four miles to school now. They get half-way by the train in the morning, but it is cruelty to the children, and we think such a state of things should not exist. There are fifty-four children—thirty-eight of school age and sixteen under. A somewhat similar difficulty occurred regarding a railway-siding. I believe that will be attended to shortly, but I am not quite sure that we will get it yet. I was the mover of the resolution regarding the freehold, and I made it clear that a distinction should be made as against the aggregation of farms. I think it would be against the interests of the country to see the country go back into big farms again. The dairy-farmers all supply their milk to the factory. I have been in the dairy line thirteen years, and my returns have ranged from £7 to £13 in the Stirling district. That is the gross return. I think we can do as well here. In regard to the Advances to Settlers Act, I think it would be of very great importance if settlers were allowed to borrow under that Act, assuming that they have made the improvements on the land, and not have to wait for a whole year, because a man might do four or five hundred pounds' worth of improvements within six months, and it might be inconvenient to wait. It is not many men who have enough money to carry on all the initiative expenses and then keep things going on. I think it would be a very good thing if the Government supplied lime to the settlers on a 5-per-cent. basis. Then the Government would have its security, inasmuch as the lime was being put on their own land. If this were done many a settler could get a good start, and make the best use of his land years earlier than he could otherwise do.

348. How long is the tenant to pay the 5 per cent.?—I think he should be allowed a certain number of years in which to pay it up.

349. The 5 per cent. would be both interest and sinking fund?—Yes. It would be a great help to the settlers. We cannot farm these lands properly without lime.

350. *Mr. McCardle.*] You are in favour of an amendment of the Act governing advances to settlers?—Yes.

351. Would you favour an advance being made up to three-fifths of the improvements?—I think that would be an improvement.

352. You believe in having the areas of holdings restricted?—Yes.

352A. Do you think it in the best interests of the country that the holdings should remain small?—Yes.

353. And for that purpose it is desirable under the Land Transfer Act to bar the aggregation of large estates?—Yes.

354. *Mr. Paul.*] Do the settlers get any benefit from loading, so far as the work is concerned?—Undoubtedly, if they spend the money. There are cases near my section where the roads are very bad. Any man would be better off paying 5 per cent. and having fairly good roads than to have to fight along with bad roads.

355. So it is advisable to have the roads made as quickly as possible, rather than to have slower progress and give the settlers the benefit of the wages?—No doubt many settlers would

like to have the benefit of the work. I think it is very important that the roads should be completed as quickly as possible.

356. *Mr. Forbes.*] What is the great objection the settlers at Edendale have to the lease in perpetuity?—Sentiment mainly, I think.

357. It was mentioned in evidence that some of them were frightened that the Government might break the lease, and they had heard speeches made about revaluation?—I think there is a feeling in some men's minds that the State might some time or other pass laws prejudicial to their interests in connection with the lease in perpetuity.

358. Otherwise the lease in perpetuity is perfectly workable as far as the tenant is concerned?—Yes. It enables many men to get a farm who could not have otherwise have got one.

359. You think it largely a question of sentiment, the wish they have expressed for the freehold?—The desire of a man to have a thing his very own seems to be bred in his nature.

360. Do you think it is a good thing for the Crown tenants to meet and ask the Government to alter the terms of the contract, thus breaking the contract?—I do not think it is breaking the contract.

361. They ask that the contract should be altered—that the terms of the lease should be altered?—I do not regard it as altering a contract; it is merely giving them an extended right. A man who does not want a lease in perpetuity need not take it.

362. These men are lease-in-perpetuity settlers, and they wish to have the right of purchase?—Yes.

363. That means you want to alter the lease to that effect?—I should not like to have the lease broken.

364. *Mr. Anstey.*] As to the advances to settlers, you are in favour of an advance being made to the extent of three-fifths of the improvements: if a house were built would the remaining two-fifths be sufficient security?—Yes. I think a house is good security.

365. But would the security still be good at the end of, say, thirty years?—Yes, if the buildings and fences were kept in proper repair.

366. If they were not kept in proper repair?—The security would become less.

367. Then, if an advance was made up to, say, three-fifths it would be reasonable to revise the security at certain periods?—Yes, as a matter of justice to both parties.

368. *Mr. Hall.*] You said that you estimated the gross returns of dairy cows at £10 per annum: does that allow for depreciation in the value, deaths, &c.?—No.

369. A dairy cow decreases in value from 10s. to £1 a year?—Yes; 10s. at least.

PETER CAMPBELL examined.

370. *The Chairman.*] What are you?—I am a farmer on a freehold of 450 acres. I have been about thirty years in this district.

371. Is it your experience that the constitution of the Land Boards is fairly good?—Yes.

372. You would not recommend any change? Do you think they could be improved by election, or anything of that sort?—There are different opinions on that matter, but I think the present constitution is fairly satisfactory.

373. In regard to tenures, what is your idea as between leasehold and freehold—which do you think is most satisfactory in promoting the interests of the country and the interests of the individuals?—According to my view, a man with a limited means has a better opportunity of doing well for himself in taking up a leasehold than by taking up a freehold. I have known many a man to start with a leasehold who would have had a very poor show of starting on a freehold. He can put his money into stock, which gives him immediate return, but putting his money into land is a sort of dead investment.

374. Have you anything to say with respect to ragwort and Californian thistle?—That is one of the problems we have to solve. Ragwort is not so bad if a man is able to keep sheep. The difficulty is in the case of a small dairy-farmer who has not scope enough to put a few sheep in with his cows. If sheep are put in when the cows are taken off they will keep the weed in check. The Californian thistle is becoming a thorough pest all over the district, but my experience is that it can be kept down where you can get a plough on it. Over twelve years ago I bought a dairy farm, and to my surprise I found a clump of Californian thistles on it. I cut them down immediately, and got the plough to work, single furrow. I ploughed a good deep furrow, and got my boys to follow me and pick up the roots as the ground was turned over. When the roots became dry I burnt them. Then about six weeks or two months afterwards I went through the same process again and cross-ploughed the land in the way I have described. Now you can only see a small insignificant plant here and there in that place. I spoke to my successor last season about that patch of ground, and he says that there is just a weakly seedling that makes its appearance, and that probably another ploughing will about get rid of it altogether. It is a tedious business, but it can be done.

375. What is your idea about the poor land at Oteramika? Do you think there is anything that could be done to induce people to tackle it?—It would be rather a hard job for a man to tackle it in its present state, but, of course, money will do a lot of things.

376. Supposing an attempt was made to dry the land and then to put lime on it—that would bring it into fertility?—There is no doubt it would improve it. I would have my doubts, but it would be an improvement. Of course, draining would be the only remedy, and the question is, would it be worth it?

377. *Mr. McCardle.*] There is evidently a great deal of ragwort being cut with ryegrass in this district, and I dare say some of the seed gets to the North Island?—I suppose they will get the benefit of it in the end.

378. Do you not think there should be some restrictions with respect to grass-cutting, with the object of preventing the seeds of noxious weeds being scattered all over the country?—I think it is a mistake to allow them to be scattered all over the country.



379. *Mr. McLennan.*] Have you any yarr growing here?—There is such a thing in the district, but I am not troubled with it.

380. Which do you think the worse—yarr or Canadian thistle?—I believe, Canadian thistle.

381. *Mr. Anstey.*] What is your experience with respect to yarr?—I think the only remedy is to keep the grubber and hoe at work. My experience is that you will not be troubled with it a second year. It is an annual, and is not like the Canadian thistle.

382. *Mr. Hall.*] You say that sheep will keep the ragwort down?—Yes; but if they can get good timothy or white clover they will take it in preference to ragwort, but they will also take the weed.

383. Is it found to be injurious to sheep?—I believe it is if they are kept long on it.

THOMAS AYSON examined.

384. *The Chairman.*] What are you?—I am a farmer on a freehold of 1,300 acres about six miles from here. It is agricultural land. I have sheep and cattle, and also do cropping. I have been thirty-seven years in this district.

385. Have you any particular points you would like to mention to the Commission?—With respect to land-tenure, I believe in the optional tenure—that is, the right of purchase. I have no objection to the leasehold, but I believe that the freehold is the best system in the interests of the country, and I think it is the system that will induce the best class of settlers, the most enterprising, and those with the most capital to go in for farming, and I think it is the system which is likely to result best to the colony, and also that it will result to the best interests of the people of the colony. I believe in acquiring land for settlement, but I would limit the freehold. I think it is a pity to let the land of the colony get into too large holdings. I believe in the land-for-settlements system, but I would give the option of the freehold. The reason is this: that otherwise we are drifting fast into absentee landlordism, and are simply sending the interest to the bondholder in London. I think if a man is able to pay off his leasehold, then the rent of that leasehold remains in this country, and that would be preferable to sending it to London. If we went on the way I suggest, then by-and-by we might reach a time when all the land in New Zealand which is pledged to London would be free. As to the cutting-up of large estates into small estates, I would be inclined to advocate the present system with right of purchase whenever a man is able to do so, and the money that came out of that I should say should either go towards redeeming the bonds in London or to acquiring more large estates. I think that would be the best course to adopt, and that under it the country would prosper better in the end. I notice that a number of persons advocate the leasehold. We have perhaps 11,000,000 acres of land which it is suggested might be leased. I have an objection to that, and it is this: I think it is unfair to ask people to go into the wilds of the colony and take up land which, as suggested by some people, should be subject to revaluation. To my mind, it would be a monstrous injustice to a man who went into the wilds and worked hard for twenty years without any advantages and then that he should at the end of that time be robbed of any improvement that might have come to him through an increase in the price of land. I do not think that any man in his senses would take up swamp or bush land and go through all the great hardships and difficulties, and spend a large number of the best years of his life in this way, and then that the colony should take away from him the fruits of his labour when he is just able to make a good living from his land. I have had farms in this district, and I know that every penny I had was put into the land, and that if that land had been taken away from me at the end of twenty years I would have been penniless. When a man goes into the wilderness and works hard for twenty years he is entitled to the fruits of his labour; and in the case of country lands such as I have described, in my opinion there is no such thing as unearned increment. In the case of my farms I know that every rise in the price of the land was owing to my hard work. I think the present system of valuing improvements is very unfair. It works in this way: I know a farm which was taken up ten years ago. It was at that time largely swamp, Maori heads, and so forth. There were buildings and fencing on it, but very little cultivation. That man has been working on the land for ten years. By his labour he has improved and drained it. It has doubled in capital value; but this is the way it works out, especially in regard to draining: You take up a piece of land and you drain it, and you have to wait four or five years before you can plough it. In the meantime you have to keep the drains clean. Then three more years go by. Up to that there has been only expense. Then after you have got a skin on the land the valuer comes along and says, "How many chains of drains have you got there?" You reply, "So-many," and he asks, "What did it cost you?" You reply, "10s. a chain," and he says, "They have been down six or seven years, and they will now only be worth 5s. a chain." Now, the draining has been only an infinitesimal part of the improvements you have put on the land. There has been the interest of your money, there has been the waiting and delay, and there has been your toil and labour. But the valuer says, "That is all the improvements on the land"—just what he sees before him. If you leave the drains open he will give you an allowance for so-much improvements, but if you complete the work and cover them up he will give you nothing.

386. When the valuer comes round in that way do you show him your books?—He sometimes calls, but in other cases he does not call, and the first thing you get is a notice, and the valuation is sent in to you. My experience is that making objections to valuations is very little good—that is, objections with respect to improvements. I think there should be some better method at arriving at the value of improvements than, for instance, simply to value a bare drain, which perhaps was only an infinitesimal part of the cost of draining the land.

387. I suppose you are not interested in the advances to settlers or the loading for roads?—No; but there is one thing that has struck me lately that has come under my notice. I notice, with reference to the residence clause under the lease in perpetuity, that if you have got land adjacent you will be allowed to take up another section—you will be allowed to reside on your own land and take up another section alongside of it, but if there is a section between your section and

the other one you want to take up you will not be allowed to take it up. I think some alteration might be made with respect to that matter. As to noxious weeds, I heard Mr. Campbell's evidence. I believe that Mr. Campbell under his treatment of the weeds would be successful to a certain extent, but I doubt whether it would eradicate them. I have been trying to keep the thistle down for some years. I think that cutting them as often as possible will make the plants weaker, and that in the course of two or three years they will gradually disappear. It is a process of bleeding to death. I had an experience which I shall mention which may be valuable. I had a piece in turnips, and there was a very bad patch of Californian thistle on it. I had some cattle on the land. At one time this particular piece of land was very much like a stockyard. Next spring I did not plough it, and the surface got hard and caked, and there was not a thistle on it. The land soured and caked, and sealed up the ground in such a way that when I subsequently turned up the land I found that the roots of the thistles were rotten. That was apparently successful, and I intend to fence in another patch and try it again; but that can only be done on agricultural land, It cannot be done on hilly land.

388. *Mr. McCardle.*] You said that you had not much experience of the Advances to Settlers Act?—Yes.

389. But as a man of business you have no doubt observed its effect in assisting both small and large settlers in getting money?—Yes.

390. You are aware that a leaseholder can only borrow up to half his interest in the land?—Yes.

391. Do you not think if a man spent £5 an acre on good permanent improvements that the Act might be amended in the interests of the settlers, and with no disadvantage to the State, so that an advance of £3 an acre might be made to that settler?—I think it could.

392. In view of the fact that there is provision for sinking fund and thirty-three years and a half to pay off interest and principal would be a safeguard covering all risk to the Government?—Yes.

393. You believe in restrictions as to area?—Yes.

394. You suggest that the Land Transfer Act might be amended to meet your views in that respect?—Yes. I might say also that I think a man should be debarred from destroying public property by dredging good agricultural land. It is really heartrending to destroy good agricultural land. I do not think even a freehold title should enable a man to destroy what is really the public estate, because, after all, the freehold is only a form of tenure.

395. *Mr. Paul.*] Would you limit the freehold by area or by value?—By both. I would allow a man to hold a larger amount of second-class than of first-class land. I cannot say just now what I think should be the limit; I would leave that to the State itself.

396. Is your land first- or second-class land?—Some of it is first and some second.

397. You spoke of the present system of buying and leasing estates as tending to create absentee landlordism?—Yes.

398. I understood you to say, in effect, that the land belonged to the foreign money-lender?—We have given him practically a mortgage over it, although not an absolute mortgage. We have pledged our land to the London bondholder on the security of the New Zealand Government—his interest is to be paid on these bonds that went to buy the land.

399. Do you not think the foreign money-lender looks on the freehold in the light of a security for his loan as well as the leasehold?—If every leasehold were converted into a freehold, and the money was devoted to that purpose, he would be paid off. Of course, the freehold land is pledged absolutely, in a sense, to pay interest on the money we borrow, and we have to send that money to London.

400. With respect to the leasehold and freehold, do you think if the land of the colony was all resumed to-morrow that you would leave the country?—I certainly would not feel inclined to continue farming. I do not think I would be prepared to go in for a leasehold under such conditions.

401. Did I understand you to say that there is no unearned increment on the land?—Not on rough country land—land in its native state.

402. Do you not think that a railway or harbour improves land? Would you not call that unearned increment?—In many cases settlers went into the wilderness and worked hard for years without any return. If they had asked for wages as they went along there would never have been the present settlement in Southland. All our work was put into the land.

403. If you had been working for wages you would not have been as well off as you are to-day. You do not know of many wage-earners who are able to retire?—I think it is the men who work for wages and go on slowly—who do not go in for much enterprise nor borrow money—who are the best off.

404. Would you advocate giving the freehold to lessees of harbour endowments?—If the bodies concerned choose to give the freehold I would have no objection, if they conserve the interests of posterity. The only difficulty is that in such a case these bodies might be inclined to take the biggest slice from the present generation.

405. *Mr. Forbes.*] You say that a farmer farms land better under the freehold than leasehold?—Yes.

406. You think that all farmers should have the right to make their leaseholds into freeholds?—I say they would make better farms if they had that right.

407. Would you apply that to private landlords as well as to the State?—I would not compel one farmer to put himself out of a freehold in order that another should get the freehold, but I say a man will do better farming, as a rule, on a freehold than on a leasehold.

408. Better in the interests of the tenant?—Yes; but I would not advocate a man being compelled to give up a freehold in order that another man should get it.

409. You think it would be better for the tenant if he had the right of acquiring a freehold in front of him—that he would farm the land better?—Yes.

410. *Mr. Anstey.*] You say there is practically no unearned increment in regard to rough bush lands?—I have never known of any.

411. I suppose you are acquainted with town holdings?—I have very little experience of them, but I believe there is an unearned increment in regard to town holdings.

412. I take it that you think it would be advisable that country settlers should have the freehold on the ground that anything they put into the land they earn and deserve to hold?—Yes, that has been my experience.

413. And, conversely, I suppose you think it is wise in the interests of the State that there should be nothing but leaseholds in the town, because there is in the towns an enormous unearned increment that the freeholders are not entitled to?—I believe that would be right, because it is the State and country settlers who make the towns. If the towns were leaseholds the State and country settlers would share in the unearned increment.

414. You said you were opposed to the State borrowing money from foreign bondholders in order to buy up these estates, on the ground that it meant a kind of foreign landlordism?—I look upon the bondholder as practically an absentee landlord.

415. In regard to the Edendale Estate, for instance, you presuppose that the Government borrowed money to buy that estate, and, having bought it, they have to send the interest on the money Home?—Yes.

416. Can you tell me where the dividends and profits from that estate went to before the Government bought it?—They went Home too.

417. I suppose you are aware that the Land Company paid 6 per cent. interest for a large number of years, and that that money was sent out of the colony?—Yes.

418. And the Government borrowed the money at 4 per cent. interest?—Yes.

419. In other words, 2 per cent. less interest is going Home now than went before?—Yes; but if you give the freehold to these settlers you will save that 4 per cent. for the colony.

420. How do you know the settlers will not borrow that money from Home to acquire their freeholds?—They will pay it off by-and-by.

421. The only difference owing to the State being the landlord is that we are sending less interest out of the colony than went before?—But all the estates that have been purchased by the Government were not in the same position as this Land Company's estate.

422. You are aware that at the present time we have a graduated land-tax?—Yes.

423. Is that having any effect in limiting these large estates?—I am not quite certain, but I should say it is. I know the large estate-holders were very much alarmed when it was proposed, and since the Act was passed they have been very ready to part with their estates.

424. Could not that graduated land-tax be so adjusted that, without being unjust, it would tend to limit the size of all holdings?—I would not like to confiscate large holdings. I think it would be unfair to raise the tax even on large holdings, however objectionable I might think them.

425. They would always have the right to sell?—Yes; but if you did that sort of thing and forced these large tracts of land into the market the owners would have no chance of selling to advantage. I would be more inclined to take all the estates from owners willing to sell, and deal with the few stubborn ones afterwards in a different way. The Government have got on very well so far, and have taken most of the estates without compulsion.

426. In regard to the limitation of area, do you not think it would be much better to limit by value rather than limit by area? You are aware that there is an immense difference in the value of even one quality of land—say, first-class land?—I think if you limited by value great dissatisfaction would arise. The question of value would crop up, and if the land rose in value a man would have to sell his land when it got beyond the legal value.

427. The land-tax is on the value?—Yes; but the area is not on value. If a man improved his property over the legal value he would be holding it illegally, and would have to sell out. It would simply mean that a man would not improve his section, because he might by improvements raise the value to beyond the legal limit.

428. But you understand that improvements are not taxed, but only the value of the land without improvements?—My experience shows me that improvements raise the unimproved value. I know of a property the unimproved value of which is much higher to-day than it was some years ago, although the improvements are to a pound exactly the same now as they were then, and no new road, bridge, or railway has been built there.

429. Then, you think the limitation should be by area?—Yes, of a certain quality.

430. You are aware that you can hold up to twenty-five thousand pounds' worth of some classes of land, and of other land not more than four or five thousand pounds' worth?—That is so; but one man might be able to live on five thousand pounds' worth of one kind, while another man would starve on five thousand pounds' worth of another class of land.

431. *Mr. Matheson.*] Do you think the unimproved value is a theoretical thing which cannot be reasonably defined?—I believe there is a good deal of theory in it. I think it could be more reasonably defined than it is at present.

432. Suppose you bought a slightly improved farm at £3 per acre, and worked it, and after some years the market value had increased to £10 per acre, do you think the only fair way to value the improvements you have effected is to value them at £7 per acre?—I do not think so, because the improvements might not be worth £7 per acre.

433. Then, you think there is some increment that you have not earned?—There might be a rise in value, owing perhaps to a railway or road having been constructed. I said my experience was that in improving the waste lands of the Crown there practically never had been any unearned increment.

434. *Mr. Hall.*] You believe that good farming is more likely to be carried on under freehold than under lease in perpetuity?—I feel sure of that.

435. Do you consider that the land in Southland is considerably depreciating in value owing to noxious weeds?—Yes.

436. Seeing that the noxious weeds are very prevalent here, is it not strange that those possessing the freehold allow their lands to get into this condition?—I think the reason is that they hardly realised what the Californian thistle and some other weeds meant. But they realise it now, and when a man clears his land now he is not likely to allow it again to become overrun with the pest: he knows exactly what is before him.

WILLIAM JOSEPH MARCH examined.

437. *The Chairman.*] What are you?—I am a journalist. I have been here about ten years. I am not interested in any land at all.

438. What is the particular point about which you desire to give evidence?—The question of the unearned increment has been mentioned both here and elsewhere. In the early days the Government used to hold periodical sales of township lands, and the sales used to be conducted by an official auctioneer. The statements made by an official auctioneer are different from those made by an ordinary auctioneer, because they are authorised. The point I want to make is that these lands were sold with a prospective value, and people with money were induced to invest or speculate in these lands, and therefore if there was any unearned increment in respect to them it belonged by right by bargain to the purchaser of these lands. I can speak feelingly, because I am the son of a man who put his money largely into land in that way and it ruined him. The Thompson Estate has been cited as one where a large amount of unearned increment has accrued, and has been held up as a wretched example; but I do not think it is fair to select a special case. I say let them balance the whole thing up and then see where the unearned increment comes in. In the past people put their money into land on the faith of promises, such as railway and road construction, which have not been kept. I believe that if the Thompson trustees had invested their money at its current value it would probably have aggregated a larger amount than the value of that particular estate.

439. *Mr. Paul.*] Are there any sections in Wyndham that have never had a hand's turn done to them that are of the same value to-day as they were twenty years ago?—I do not know anything about values.

440. I will take the case of a vacant section lying between two sections with good buildings erected on them: is that vacant section worth more now, with these two buildings on either side, than it was when there were no buildings in the vicinity?—I take it that the value of land is gauged by its use. Wyndham is only a small place, and there is not much speculative land here.

441. *Mr. Anstey.*] Do you not think it would have been a great deal better for your father and yourself if he had invested his money in lease in perpetuity instead of the elusive freehold?—I do not know; but regarding the question of land-tenures, I say I believe in the freehold. I think you get most out of the freehold as far as working the land is concerned. If you ask me as to the comparative values of the leasehold and freehold tenures, I can say from my own observation that the freeholder makes better use of his ground than a leaseholder.

442. *Mr. Matheson.*] Would this be a fair way to put the position: that twenty years ago a man put some money into a State bank when he bought that land, and the State has had the use of the money all these years, and therefore any increased value is a reasonable profit on his investment?—That is the way I would put it, decidedly.

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WYNDHAM, SATURDAY, 4TH MARCH, 1905.

WILLIAM MCKAY examined.

1. *The Chairman.*] What are you?—I am a Crown settler in the Heriot district. I hold 360 acres under perpetual lease, and have done so for the past eighteen years. I have been in the district thirty-six years. I was a freeholder before that, but I sold out and took up this land.

2. Have you any desire to exchange your lease or modify it?—I have no desire to pass from the present tenure under which I hold my land. I consider the Act under which our lands are administered to-day one of the grandest Acts on the statute-book, because if I like I can purchase my land from the sixth and up to the eleventh year.

3. Then, you have the option of purchase in your lease?—Yes. But if I do not purchase up to the end of the eleventh year, then the lease continues to the end of the thirty-five years. If we pay our rents regularly we get a rebate of  $\frac{1}{2}$  per cent.

4. Have you any idea of making your place a freehold?—Not the slightest, under the present lease; and it is more than likely that others will be dealing with it under that. My place is seven miles from the Heriot Railway-station, and I graze sheep principally, and raise some crops for my own use. My place is near the Greenvale Settlement, which is mostly held under perpetual lease, with a few deferred-payment sections. Of course, the latter settlers have purchased their land, but there are a few Crown tenants there yet, and they are all doing well. The Government not only gave us land when we could not get it any other way, but they gave it to us at a reasonable price, and we have progressed. I am speaking for myself, and when I settled there I had very little more than was sufficient to pay my first rent. To-day I consider the Crown tenants there are in a better position than many freeholders, and we have no mortgages over us. We are able to pay our rents when they fall due, and this year I have been able to take a trip round the North, which I could never do as a freeholder, because the mortgagee got all my unearned increment. When I took up my section it was so infested with rabbits that I could not keep one cow on the place with safety. I destroyed the rabbits, and to-day I carry six hundred sheep on that land. I have six sons all waiting to get on the land, and I believe they would prefer to become Crown tenants, seeing that their father has been so successful as one. I have faith in dealing with Crown

lands under the leasehold system until we Crown tenants cry out that we want the freehold. The Government not only gave us land, but they have given us money, which has helped us with our improvements, and under the Government leasing system we are what we are to-day.

5. *Mr. Paul.*] You find that under the leasehold system you can use your land to its utmost capacity?—I would not like to use it to its utmost capacity. I use it in a reasonable way.

6. *Mr. Anstey.*] You have a perpetual lease with the right of purchase, for which you pay 5 per cent. rent with  $\frac{1}{2}$  per cent. reduction for prompt payment: have you any objection to the lease in perpetuity, which does not give the right of purchase?—I think the lease in perpetuity is rather a long lease: to be paying the same rent from the day you took it up to the end of the 999 years. I would say that if you could manage to pass an Act to enable these lease-in-perpetuity settlers to pay interest and principal, say, for thirty years, or until such time as the money was redeemed to the Government, I think it would be wise to make an alteration in the lease that would make it easier for the Crown tenants.

7. If you took up some land now under lease in perpetuity without the right of purchase you could get it at 4 per cent., subject also to the same reduction for prompt payment, whereas a lease with the right of purchase would cost you 5 per cent.: is the right of purchase worth the additional 1 per cent.?—I should say the perpetual lease would be the way to make the Crown tenants more settled.

8. Would you prefer to pay the additional 1 per cent. in order to secure the right of purchase?—Yes.

THOMAS AYSON further examined.

9. *The Chairman.*] What further point do you wish to bring before us?—It has come to my knowledge that questions are being asked about the noxious weeds here, and there seems to be some fear that the northern people, if they take our grass-seed, will run the risk of getting Californian thistle and ragwort seed with it. The absurdity of that at once struck me, and I came here to-day to point out that our grass-seed is all in stack before the thistle or ragwort is in bloom, let alone seeding. This is a very important point, because if the Commission went and made a report on the subject it might seriously injure the Southland people in their seed-market. It is not possible for the thistle or ragwort seeds to be in our grass-seed, because the grass-seed is in stack in January, and the thistle does not bloom until February and does not seed until March. I have been thinking over the question of land-tenures since giving my evidence yesterday, and I would like to make a comparison between two farmers of equal capacity who took up adjoining farms at the same price—one a freehold and the other a leasehold. The rent of the leaseholder is equivalent to interest on a mortgage to the full value of his farm. We will suppose the freeholder mortgages his farm to its full value. It might be thought at first blush that the lease in perpetuity for 999 years is as good a tenure as the other, but if you study the matter you will see there is a very great difference. For instance, a man who has mortgaged his freehold can treat his land as he likes. He can reside on it or off it if he likes, and he can transfer it when and to whom he likes. When he pays £1 per acre off his mortgage the country says, "Splendid: he is a good settler"; and when he pays the whole of the mortgage off the country again says, "Splendid; he is a thriving man, and the country is thriving under him, and if we had a thousand or so like him the country would advance." He is then able to at once put up better buildings and employ better machinery, and he can also go in for luxuries. The working-man at once reaps the benefit, and the country does also. But the leaseholder is a man who has to be regulated and watched, and, suppose he does make money, the Government have practically declared that it is for the good of the country that that man should be a debtor to the full value of his land for all time, and that he shall send money to the London money-market as interest on that farm for 999 years. If he should accumulate wealth to the value of his farm the same as the other man, he will not be allowed to pay it off, and he will have to look for an investment somewhere else, although he is sitting right on the top of his security. I have tried to see what benefit the Government derives from this lease in perpetuity, and I fail to see one. The country does not derive any benefit if there is a rise in the value of the property. I have also thought out whether the tenant should be allowed to buy at the original price, and I say "Yes," provided the Government have not by railways or other improvements raised the price of the land since the bargain was made. The Government have large profits from the fact that the land has been settled by taxpayers. Every one placed on the land is worth £3 a head for taxation purposes. The Government ought therefore to be perfectly satisfied with the fact that they have settled the land with taxpayers, and they ought to give the land at the price they got it. Supposing a man sold a farm and took a mortgage at a long term, and at the end of the term the farmer says, "I want to pay off the mortgage." The mortgagee says, "I have no objection to taking the money, but you must not pay the value of the farm when you get it, but you must pay the value of the farm at present." I think that would be a most iniquitous proposal, and I think it would be an iniquitous proposal on the part of the Government. I have studied this question, and also the views of land reformers who profess a desire to allow the working-man to get his fair share of the produce of the land, and as a practical man who has been on the land I have noticed that most land reformers are theoretical men who have never been on the land. I have come to the conclusion that for every £1 saved to the working-man in his outlay the remedy would curtail his earning-power by £10, and it appears to me the remedy would be far worse than the disease.

10. *Mr. Paul.*] At what rate can you get a mortgage?—From  $4\frac{1}{2}$  to 5 per cent.

11. Where?—I believe it can be got from the Government Life Insurance Department at  $4\frac{1}{2}$  per cent. I got a mortgage some time ago from private individuals at 5 per cent., but I have been told that lately the rates have risen.

12. That makes it 5 per cent.?—From  $4\frac{1}{2}$  to 5 per cent.

13. A man with the lease in perpetuity would pay 4 per cent.?—Yes; but one witness said he would rather pay the extra 1 per cent. with the right of purchase. I would sooner pay 5 per cent. with the right of purchase than 4 per cent. without it.

14. If you had a mortgage over your property, and by farming or using that property it was your only chance of paying off that mortgage, it would be hardly correct to say that you might let it go to ruin?—I did not advocate that it was an advantage for a man to have a property and let it go to ruin. My idea is that the result would be the other way.

15. Do you know anybody who has gone down under a mortgage?—Yes; a good many.

16. What are the unnecessary restrictions you refer to as existing under the lease in perpetuity?—I said that the treatment of the two tenures showed that the Government considered that there was a decided difference. I said that at first blush you might think the two were the same, but I said that the consideration of these restrictions showed that there was an acknowledged difference.

17. If you were a private landlord, and let a farm for ten years, and your tenant in the ninth year wanted the option of the purchase at the same capital value, would you give it to him?—I consider he would not have any right to it, and I would not agree to it unless I chose to do so and I considered it would be an advantage to me. The Government is not an ordinary freeholder. I should say that the State is entitled to give it as a matter of equity, because the people belong to the State.

18. Do you think the State should give it?—Yes; not only as a matter of equity, but I think it would be a gain to the State.

19. When you say it is a gain to the State, do you mean to the tenant who acquires the freehold?—Yes, along with the others.

20. If it is equitable for the tenant under the State to get the freehold, is it not fair to the tenant in the other case?—If it paid me to give it to him I would. I say it would pay the State to give it to him.

21. *Mr. Anstey.*] The holder of a lease in perpetuity commences to develop his farm a long time before the freeholder if, as you say, the freeholder can only commence to do this after paying off his mortgage?—I think it is the other way.

22. You said you objected to the leaseholder being watched?—I said it was evidently considered that he required watching.

23. Do you not think it would be a very good thing if the Government were to watch freeholders as well?—I stated yesterday, in reference to dredging, that I thought it was wrong that the landowner should be allowed to destroy the land.

24. This morning we drove past the holdings of a large number of lease-in-perpetuity settlers, and we noticed that numbers of them had very good farms. On the other hand, we noticed another farm, and we were informed it was a freehold. There was simply a mass of weeds all along the road fence for a considerable distance. Do you not think the State should step in and prevent that man wasting good land?—I think you are now alluding to my own property. I may mention that until three years ago I had a lease with no right of purchase. I got the land in an absolute state of filth. I knew that if I greatly improved it and wanted to purchase it at the end of the lease the owner would charge me £3 or £4 an acre more than it was worth. I therefore waited until the end of my lease, and then started to clear the gorse. I have done a good deal of work on it during the last three years. I was a leaseholder until three years ago, and then purchased the land, and that accounts for the existence of the gorse.

JOHN GREENLEES examined.

25. *The Chairman.*] What are you?—I am a farmer, and both a freeholder and a leaseholder. I farm 420 acres of freehold and 123 acres of leasehold. My farm is about nine miles from Wyndham, in the back country. I consider that to enforce the provisions of the law in respect to ragwort is against the interests of the settlers in the back country. There is so much rough country and bush that it is impossible to keep it down. I have a lease of an education reserve in charge of the School Commissioners. In places where sheep can get at it you can keep down the weed. Californian thistle has not got a very great hold yet, but it is gaining ground. My lease is for fourteen years and the time will expire in another month. There is an allowance for improvements for fencing and grassing up to a limit of 7s. an acre. The only way to deal with ragwort is to sheep-feed it down. With respect to noxious weeds in such cases, if the leaseholder is forced too much he will have to abandon his lease. As to the Californian thistle, you can do nothing with it unless you keep it cut. I have kept the thistle pretty well under in my place.

26. *Mr. McLennan.*] Do you think it would encourage you to try to keep the land clean if you had a lease, say, of twenty-one years?—If the country is very poor and rough the sheep cannot get into it.

27. *Mr. Anstey.*] You said that the weeds were bad on the education reserve?—They are just the same on other properties, freehold or leasehold.

28. Do you find that ragwort is worse on the leasehold than on the freehold?—No.

29. You have fourteen years' lease?—Yes.

30. Have you a right of renewal at the end of that time?—No.

31. Is it let to the highest bidder?—Yes.

32. I suppose if you had the place nicely cleared you would have to pay a higher rent for it?—It is poor country.

33. If you let it run to weeds you would get it cheaply?—Yes; but it is very doubtful whether I will take it up again. Of course, I have to keep the weeds down for the sake of my other property.

34. *The Chairman.*] What rent are you paying?—3d. an acre; but it is pretty well nearly all bush.

35. You say it is useless to force the destruction of the ragwort?—Yes, in the back country.

36. Supposing you were sure of your tenancy, you could keep it down by proper subdivision and stocking?—Yes; if your could get the sheep on it.

37. I suppose that land is too rough for sheep?—Yes.

GORE, MONDAY, 6TH MARCH, 1905.

JOHN TURNBULL examined.

1. *The Chairman.*] What are you?—I am a farmer. I hold about 1,100 acres of freehold and 200 acres of Crown land under perpetual lease, and 1,500 acres under private lease. I have been in the district about twenty-one years. My Crown leasehold is within the goldfields district, and the right to purchase the freehold is subject to the Warden's approval.

2. Will you kindly state what points you wish to bring before the Commission?—I see that the Commission has been endeavouring to get information with regard to the destruction of land by dredging. I may say I am connected with dredging also. There are several dredges on my freehold property, and I have been trying experiments with the land after the dredges have passed over it. I have not disposed of the freehold of my land, but only the dredging rights; and I wish to preserve the property as much as possible. I have tried planting trees and sowing grass on the tailings. About four years ago I planted 3 acres in larch, and they have done remarkably well. At the present time the trees are about 6 ft. or 7 ft. high and are all thriving. I may say my land is in the Waikaka Valley, about fourteen miles from Gore. It is of a varying quality. Part of the dredging area has been turned over by Chinamen, and was left in humps and hollows before the dredging began. In addition to growing larch I tried sowing another portion of the tailings in grass. I sowed it about three years ago in cocksfoot, clover, and ryegrass, and the clover has done remarkably well. I do not think that I have better clover on any part of my place than I have on the tailings, which is a mixture of sand, gravel, and soil. Several experiments have been tried in connection with dredging, and they have succeeded in restoring the surface to a certain extent. There are two currents in the sluice-box. The upper current carries the gravel and stones and the under current carries the fine silt, and by attaching a sand-shute and running the under current further along they can put the silt on the top of the rough tailings and make a fine, perfectly level bed. It is a sort of top dressing, and it leaves the ground quite level behind the sluice-boxes. There is another system of dredging where elevators and screens are used, but they destroy the land to a far greater degree than the method with sluice-boxes does.

3. I suppose you are so well satisfied with the results of your experiment that you intend to continue them?—Most decidedly so, because I have found that the land left behind the dredge is more valuable than it was before. I am quite certain of that. I hold a leasehold property from one of the other companies, and one of the conditions of my lease is that I am to sow a certain amount of grass upon their tailings. They have one of these sand-shutes attached to their dredge. There was no sand-shute, however, where I sowed this clover. I have not tried any experiment yet on tailings where the sand or silt has been deposited. There is another matter I would like to refer to. Adjoining my place there is a large Government reserve for mining purposes, of something like 1,500 acres. At the present time the Waikaka Township has the right to run stock upon it as a commonage. There are four dredges now working on this reserve at different spots. The reserve is composed of ridges as well as flats. The tailings are getting all covered with gorse as well as the ridges, and I should say that in a few years' time the reserve will be nothing but a mass of gorse. I do not suppose that £500 or anything like it would clear the place at the present time. A committee of trustees is in charge of it, and they charge 4s. per head, a merely nominal sum, to graze cattle and horses on it. The revenue derived is paid into the Public Account, but some of it is applied towards the destruction of rabbits, which are kept down fairly well. I would like to mention that I notice an ex-member of Parliament referred to the perpetual-lease and the deferred-payment systems. I think they are the best systems of land-tenure ever inaugurated in the colony. Before I left the Old Country the inducement held out to come here was that a person could get a small freehold section. I remember an old clergyman speaking about it, and he afterwards sent his two sons here in order that they might get freehold sections for themselves. I believe they are in Otago at the present time.

4. What is your opinion in regard to the Land Board as at present constituted?—They have been perfectly fair so far as I have had anything to do with them. I cannot say that their administration has been faulty. In fact, if anything, I think they have been rather too lenient in a great many cases.

5. *Mr. Paul.*] Is the cost of using an elevator dredge less than that of using a sluice-box dredge?—I think it is greater, because more machinery is employed.

6. Then, it would be no hardship to enforce the use of the sluice-box dredges?—It depends where they are working. If they have high ground in front of them it might be a necessity to have an elevator dredge to carry away your tailings.

7. What proportion of the land is lost with a sluice-box dredge?—Very little is washed away. There may be a discolouration of the water, because it is practically like stirring up a plate of porridge.

8. *Mr. Anstey.*] You do not consider there would be any hardship in compelling all dredge-owners to leave the land level?—It depends on where they are working, but on the flats I do not think it would entail any expense for them to do so. I have had no experience of elevator dredges, and there are none working in the Waikaka Valley. The elevator is an extension of the dredge, and you can lift the stack behind you 70 ft. or so. No doubt something could be fixed to an elevator dredge to level the land to a certain extent. I think it is quite possible, at a reasonable expense, to level almost any workings. However, it is a matter for an engineer, and I am not an expert.

9. What becomes of the lumps of clay in the mixture from the tailings?—They go with the stones. I tried an invention of my own, which took the clay and deposited it to a large extent above the stones. It was partly successful, but the nature of the ground on which the dredge was working compelled us to take it off.

10. Would your invention involve much additional expense?—No.



11. Could you suggest any scheme whereby the Government reserve that is becoming foul with weeds and gorse could be profitably used and the weeds kept in check? Would it be feasible to let this mining reserve under lease in perpetuity, which, as you know, conserves the mining interests, and also requires the tenants to keep the land in proper order?—I think it ought to be let under some kind of lease, so that the land might be cut up into sections and the weeds kept under.

12. Do you not think the lease in perpetuity under which the miners' rights are conserved would solve the difficulty?—Yes.

13. *Mr. Hall.*] Do you think it would be an advantage if the Crown tenants elected a member on the Land Board, or do you think it is better that the Boards should remain wholly nominated by the Government as they are at present?—I would sooner see the Board composed of independent men, at at present. I am rather inclined to think that a member elected by the Crown tenants would be very much at their mercy.

14. In regard to land-tenures, you know that under the lease in perpetuity the rent is 4 per cent., and with the right of purchase 5 per cent., with a rebate of  $\frac{1}{2}$  per cent. in each case for prompt payment: are there many of the tenants in Southland desirous of getting the freehold?—Yes; I think every man is desirous of obtaining the freehold.

15. What do you think is the reason?—When a man does a stroke of work he likes to think it is for himself. If he cuts a ditch he likes to know it is for himself, and not for the Government. A man can put many improvements on his property which are not seen afterwards, and for which no compensation would be given if it was a leasehold; but he does not mind making those improvements if they are for himself.

16. Is it not largely to make the property more saleable?—I have noticed this difference between freeholders and leaseholders: a leasehold property generally depreciates in value while a freehold section increases in value.

17. You think a freeholder does not harm his land so much?—He takes good care not to.

18. The lease in perpetuity is for 999 years?—It is a leasehold all the same.

19. And it is not so saleable?—No.

20. Do you think it is the duty of the Government to give facilities for selling this land, or do you think it is the duty of the Government rather to give facilities for *bonâ fide* occupation?—I think it is the duty of the Government to sell it and to give every man a chance.

21. *Mr. McCordle.*] When a settler sells his property and another takes his place, is the State injured in any way by the exchange of occupiers?—I do not think so, if the incoming man is as good as the outgoing one.

22. And if the incomer is a better man it is an advantage to the State?—Yes. I do not think an exchange from one tenant to another injures the State in any way.

23. *Mr. Hall.*] If a man takes up land with a view to selling it to another, is that not speculating in land, and does it not mean that the *bonâ fide* settler has afterwards to pay an enhanced price for his land?—There may be some speculation; but I know of very little speculation in Crown lands in this district.

24. *Mr. Paul.*] Do I understand you to say that whilst freehold land has increased in value leasehold has decreased?—Generally, I think so. I think there has been a neglect in regard to leasehold lands as compared to freehold lands throughout the colony.

25. Have you heard of instances where holders of leases in perpetuity have sold out to advantage?—Many cases of that kind. A man must put on certain improvements, and land has increased in value during the last few years down here. I am only comparing the two tenures, and I think the freehold compares more than favourably with the leasehold.

JOHN SMAILL examined.

26. *The Chairman.*] What are you?—I am the Government District Valuer, and I have been here about five years and a half.

27. *Mr. McCordle.*] Is there a tendency here for the valuations to go up?—In my district there has been a generally steady increase ever since I took office.

28. You value also for the Advances to Settlers Office?—Yes.

29. Has there been any difficulty on the part of the settlers under any tenure in obtaining loans?—Not when the land was fairly good and the improvements substantial. In some cases, however, the improvements were not very substantial, and the land is not capable of giving any great value of improvements, and in these cases there is a difficulty.

30. I suppose you are not aware whether the Department has got much funds at its disposal or not?—They do not tell me what funds they have. I accept every application for an advance.

31. From your experience in valuing for the Department, do you think that if the Government were to amend the Act so that the Department could advance up to three-fifths of the actual value of the improvements to a leaseholder there would be any chance of injury to the State by so doing?—Yes; I think three-fifths would be rather too much to advance on leasehold improvements as a whole.

32. Why?—For the reasons I stated before. In many cases the improvements are not of a permanent character. They may be of value, certainly, to the man who holds the lease; but if the property was offered for sale he might find it very difficult to get a purchaser if these improvements were loaded on the property.

33. You advance up to two-thirds on freehold?—Yes; but the Department very seldom advances up to two-thirds.

34. Does the State run any danger in that case of losing money?—Not down here.

35. Then, your argument is that a leasehold does not compare favourably with a freehold as a security?—If the improvements are substantial it compares just as favourably and an advance will be granted just as freely. That has been my experience.

36. You know there is a good deal of uneasiness on the part of leaseholders because they cannot get sufficient advances. Now, in view of the fact that a leaseholder is paying into a sinking fund every year, which in 36½ years will liquidate the loan, do you not think he is making ample provision for any depreciation in the value of his improvements?—Yes, under the instalment system they are paying off a certain amount of it; but there is no guarantee that they will continue to pay that. I hold with this point: that so long as the improvements are thoroughly substantial there is no risk.

37. And you think it would be safe for the State to advance up to three-fifths?—Yes. In my recommendations in cases of that kind I express my opinion in that direction. I sometimes recommend an advance of less than half the value.

38. Then, your answer is that you consider when the improvements are substantial the State is quite safe in advancing up to three-fifths of the holder's interest in these leasehold improvements?—Yes.

39. *Mr. Paul.*] It has been said that the Advances to Settlers Department do not look with favour on the lease in perpetuity: has any instance of that come under your notice?—No; I would say that they do not look on it with disfavour.

40. Then, so far as loans to settlers are concerned, no discrimination is shown in regard to either a freeholder or a leaseholder?—None in the world.

41. *Mr. McLennan.*] Would you be in favour of advancing a loan as soon as a man has the improvements on the ground, instead of insisting on a year's occupation as at present?—I do not see any reason why an advance should not be made if the improvements are there.

42. Suppose a man takes up an allotment and calls for tenders and puts up a house, and wants a loan simply to pay the contractor?—I can see no reason why he should not get an advance.

43. *Mr. McCutchan.*] Have you known of instances where the full 50 per cent. has been advanced to settlers by the Department?—Yes, many instances.

44. And in those cases where the valuer's valuation leaves ample margin for the full 50 per cent. being advanced and that amount is not advanced, can you assign any reason why it has not been advanced?—I do not know; the lending Board in Wellington will have to answer that. If the improvements are sufficiently substantial security I always recommend that they should advance up to 50 per cent.

45. *Mr. Forbes.*] You know a good deal of the condition of the farms round about this district: from your experience can you say there is any marked difference between the way lease-in-perpetuity holdings and freeholds are farmed?—In some cases there is a vast difference, and in many cases the farms under lease in perpetuity are worked just as well as the freeholds. I think they are worked just as well on the average.

46. Then, the statement we hear so often, that men holding these leases are simply neglecting them and allowing them to become overrun with weeds and are not farming them properly, is incorrect according to your experience?—Yes, I should say so.

47. *Mr. Anstey.*] Have you ever known of an instance where a freeholder has farmed his land very carelessly?—Just as many as the other.

48. *Mr. Matheson.*] I suppose you know from experience that a great deal of money is sunk in attempting improvements which do not result in an improvement in the value of the land?—Yes. Very often £4 or £5 will be spent in clearing bush land which is not worth £1 per acre when it is cleared; and in the Waikawa district I know of instances where the bush has been partly cleared on sections at a cost of perhaps £2 or £3 per acre, and then, owing to not getting a good fire through it, the underscrub has come up again and made the land worse to clear than it was before.

49. Suppose you go on a property under crop where there is no appearance, of course, of any bush, and you are told by the occupier that it was in standing bush when he took it up: do you then allow him for the work he has done in felling and clearing and cultivating?—Yes, I always do. In most of the cases I have probably seen the land before, or I can see other indications that attest the truth of what he is telling me.

50. But suppose when he took it up it was worth £5 per acre for the timber than was on it, and that after he had got rid of this timber it was only worth £1 per acre in the market, could you allow him anything for the work he had done in clearing his timber?—Not in that case, because if it was light shingly land it could not carry the cost of clearing.

51. *Mr. Hall.*] Where bad farming is carried on and improvements are made which are not real improvements, is it generally owing to incompetence on the part of the farmer, or because of the tenure which he holds?—It is sometimes through incompetence and other times want of money.

52. Has the tenure much to do with it?—I do not think it has. But since you have asked that question I may state that I have seen cases where speculation has come in, more particularly under the perpetual lease. There are many cases where men take up these leases and they crop the ground extensively year in and year out, and, after a time, if they can, they will sell out their goodwill. I have seen these men sometimes get a very large sum for their goodwill, more especially under School Commissioners' leases.

53. *The Chairman.*] Under the School Commissioners' leases do they get valuation for improvements?—Only for buildings and fencing. I know a great many complaints are made because they cannot improve their land as they get no value for improvements, and, as a rule, they make their places look as bad as possible before the lease expires in order to get them cheap next time.

DONALD MCGREGOR examined.

54. *The Chairman.*] What are you?—I am a farmer. I hold 276 acres under lease in perpetuity from the School Commissioners on Block VIII., Wendon, about twenty miles from Gore. I pay in rent a little over 10d. per acre, and I have been there fifteen years. I go in for mixed farming.

55. Kindly state what you wish to bring before the Commission?—I wish to point out that I would not give the freehold suppose all the farmers in this colony asked for it. I do not want it, and I would not take it if it was offered to me. I have my land at 4 per cent., and I can make a good living off 270 acres. I consider that if I wanted to buy land for my family the freehold would prevent me from doing so, because the land is too dear.

56. You are very decidedly in favour of the leasehold as against the freehold?—Yes, I am.

57. Some farmers have experienced great difficulty in borrowing money on their leaseholds: has that been your experience?—I have never tried to borrow money.

58. Have you anything else to say?—I have been dealing with the Southland Land Board for the last fifteen years, and I do not think I could have a better landlord in the word than the Southland Land Board. I think, however, some improvements could be made in this way: In the event of any dispute arising between a tenant and the Land Board, I think the matter should go to arbitration; and, again, I think it would be an improvement if the law was amended in such a way that as soon as a man's improvements were good and sufficient security against any damage the land was likely to receive through bad farming the Board should do away with the cropping restrictions. I also think the Government should be a little more liberal in lending money on these leases. The School Commissioners' lands in the Wendon Valley are leased for fourteen and twenty years, and they have brought discredit on the leaseholds in my district. They do not allow sufficient for improvements, and these farms are changing hands, and they are being badly cultivated. I say that lease-in-perpetuity and perpetual-lease lands are farmed as well in my district as freehold land. I find that the men who have freeholds which are heavily mortgaged in my district keep the members of their family at home, because that is the only way they can work their farms. If their sons become dissatisfied at length, they put them on other freehold land that is also heavily mortgaged, and so they are kept down all their lives. Further, I do not believe that they are properly educated, because they have to be kept hard at work on the farm. Very few of them pass the Sixth Standard. I find these people are as discontented just before their mortgage falls due as any of the tenants in the Old Country. A number of them admit that this is so. I certainly would not sell the land that is being bought by the Government. We have only something like thirty-five thousand farms in this colony, and I think they are not the only people who should be considered in the colony. The amount of mortgages total about £43,000,000, and these people only paid £16,000,000 for the land, so that it is idle to say that they are freehold properties. I am satisfied that the freehold is spoiling the youth of this colony.

59. *Mr. McCardle.*] You think there should be an improvement in the way of getting money on these leaseholds?—If the Government were more liberal the tenants would be satisfied.

60. You think it would be an advantage to the tenant if he was able to borrow more easily from the Government on his leasehold tenure?—Yes.

61. You refer, of course, to the Advances to Settlers Office?—Yes.

62. You think it would be a great assistance to these settlers, who are good working-men, if the Government were to increase the advances from half the value of their improvements up to, say, three-fifths?—Yes; I think three-fifths is not too much.

63. Of course, you are aware that there is a sinking fund, and so forth, that provides for depreciation in the value of improvements?—Yes.

64. And if that amendment is made, in your opinion, that is all that is needed to make the leasehold system satisfactory to the tenant and to the country?—Yes, it would help.

65. You think a leaseholder ought to be treated very much as a freeholder when he has completed his improvements?—Yes; but not until then.

66. *Mr. Paul.*] You are quite opposed to giving the freehold to the State tenants?—Yes.

67. I take it for granted, then, that you would not give the freehold of these educational endowments and Harbour Board reserves?—Certainly not.

68. All you want in connection with the educational endowments is to extend the length of the lease and protect the tenants so far as their improvements are concerned?—I would be perfectly satisfied if they were dealt with by the Land Board under the lease in perpetuity. But they only give seven- and fourteen- and twenty-years leases, and allow nothing for grassing, or tree-planting, or ditching, unless they say where the ditches are to go. Moreover, they make reductions in rent which the tenants consider unfair in some places.

69. You think it is quite possible to get the best out of them for the colony under a better leasing system?—Most decidedly.

70. *Mr. McLennan.*] Would you be in favour of giving the Land Board more discretionary power?—Yes.

71. Are there many Crown tenants in your locality under lease in perpetuity?—I think there are about nine, and probably three or four perpetual leases, and a large number of agricultural leases.

72. Are the Crown tenants under the lease in perpetuity satisfied with their conditions, so far as you know?—Perfectly satisfied.

73. *Mr. Anstey.*] You said there is some dissatisfaction under the old fourteen- and twenty-years leases by the School Commissioners, because the tenants have no security of tenure, and not sufficient valuation for their improvements: is that dissatisfaction fully removed by exchanging the leases for leases in perpetuity?—Yes; they have the longer tenure then.

74. You said a number of the fourteen- and twenty-years lessees farmed the land rather badly: do you see much improvement now that they have got longer leases?—I do not think there is very much improvement; but all these men who had long leases always farmed their land well. But the land was farmed very badly by those with fourteen-years leases.

75. We have had complaint several times that tenants have an objection to interference by the Inspectors and Rangers who are appointed to watch them and keep them up to the mark: is that so in your experience?—An Inspector has never said one word to me, and I have corresponded

with the Board for fifteen years. If I was a little behind in my rent, and named the day when I could pay it, they always agreed.

76. If a number of the farmers farm their land badly it is the duty of the Inspector to keep them up to the mark: does he do so?—I never knew an Inspector to interfere with a tenant under the lease in perpetuity or perpetual lease.

77. The Inspectors allow them to farm as badly as they like, and to keep to the conditions or not as they like?—No matter; they never interfere with me.

78. *Mr. Matheson.*] You said the freehold hinders the education of the farmer's children?—Yes, I do. I am convinced that it has something to do with it. The farmer keeps his family from school to try and work his mortgage off. A very small percentage of his children pass the Sixth Standard.

79. No doubt you have seen a lease-in-perpetuity man working his children just as hard?—I would not. There is no inducement for the children to stay at home. No man would work a leasehold farm unless he could pay wages as he went along. It is the inducement to secure the freehold when their parents die that causes the children to work so.

79A. Then, it is the child's own thought that keeps him at work: he is looking after his father's shoes rather than thinking of going to school?—His father never taught him anything else.

80. *Mr. McCardle.*] When you refer to the freehold you mean those persons who have bought a property and given a mortgage over it?—I mean all freeholds.

81. But there are lots of people who have the option of the freehold and are not going to be freeholders unless they like: does your argument apply in the case of a man who has taken up a lease with the right to purchase?—I would leave the law as it stands. I would leave the right of purchase with him.

DOUGALD LOUIS POPPELWELL examined.

82. *The Chairman.*] What are you?—I am a barrister and solicitor carrying on business in Gore. I wish to state I appear here on behalf of Mr. Walter M. Hailes, a farmer and runholder at Cattle Flat. He holds some thousands of acres, some under leasehold from the Government and some freehold. The following is a statement he wishes me to bring before you:—

“The Chairman and members, Land Commission.

“I have to lay before you for your consideration the position of landowners, both freeholders and leaseholders, whose lands are bounded by rivers which flow in shifting beds. In many places such rivers encroach upon the adjoining land, and where a road-line is reserved along the bank, such road-line is, according to the present state of the law, presumed to encroach on the land along with the river. In many places such rivers change their courses so as to isolate portions of a farm, and although the County Council will, in such cases, claim that the road-line runs along the new river margin, the old river-bed and the road on its margin does not become the property of the landowner, although he is compelled to keep down noxious weeds and rabbits on such old road-line and gets no benefit from it, having actually less land to cultivate than before the encroachment or change of course. In my own case over 25 acres of good land has been cut off from my freehold land in the Hokonui district, near the Mataura River, at Cattle Flat, and can only be worked with great difficulty and expense. The old river-bed, when the river was running there, acted as a fence, but since the change of course the 25 acres is practically unfenced. To fence it would involve 90 to 100 chains of fencing. The remedy I would suggest is that power should be given to Land Boards to have river-beds, cut off by rivers in this way together with the marginal road reserves, valued, and that the landholder on whose land the encroachment or new course goes should have the option of acquiring such old bed and reserve on the same tenure as that upon which he holds his adjoining land. I also think that landowners whose properties abut on road-lines bounding streams should have some acknowledged exclusive grazing rights over such road-lines, or be relieved of the necessity of keeping down weeds or rabbits on such road reserves. There is a special reason why this is so, as such reserves are invariably very bad places for both weeds and rabbits, the former in consequence of the spread of seeds from floods, and the latter because of the reserves being generally of soil suitable for burrows. Another point I would like to mention is that I think valuation should be allowed for grassing runs, especially in high country. Either this, or a longer term should be granted. I also think that the Government should pay, say, two-thirds of the cost of putting the natural enemies of the rabbits on badly-infected runs. From my own actual experience, I am sure that such a course would have a lasting result for good.”

He complains rather bitterly that although considerable portions of the river-bank road reserve have been let for flax-cutting, he has to keep down rabbits and noxious weeds on this area, while he practically gets no use of it.

83. Surely he is not required to keep down weeds on land that is not his own?—Yes. River reserves are roads, and because they front his land he is liable to destroy weeds. In many instances, instead of being an ordinary chain road, these reserves are 5 and 6 chains wide, owing to the accretions by the river. This is a very hard case, but it is not an isolated one, especially in those districts where the river frequently changes its course. In regard to Mr. Haile's last suggestion about grassing runs, his views are that in the high country where rabbits are pretty plentiful a great many of the native grasses have been eaten right out of the ground, and he thinks if this country was regrassed by surface-sowing the runs would be greatly improved. Under the present tenure no valuation whatever is allowed for regrassing, and the result is that the holders of the high country have no interest at all in doing anything to improve the grassing under the leases they hold. Mr. Hailes specially mentioned the fact to me that, in Marlborough, where he came from, some relation of his was interested in high country. The property was hardly fit at all for sheep-grazing, but by putting on the natural enemies of the rabbits

and regrassing he has succeeded in making the land some of the best sheep-farming country in the colony. Mr. Hailes contends that when the stoats and weasels and other natural enemies of the rabbits are turned out on these runs they become permanently located there, and the good results continue after the runholder leaves. He thinks the Government gets quite two-thirds of the benefit of turning these natural enemies out, and therefore he thinks the Government should bear two-thirds of the cost.

84. Is there anything else you would like to bring before us?—I act in this district as solicitor for the Advances to Settlers Office, and there are some matters apparently about which there is some misapprehension. Mr. McGregor mentioned that the land which he holds is held from the School Commissioners, and that the tenure is lease in perpetuity. I noticed these two statements seemed inconsistent to some members of the Commission, and I would like to mention that a great part of the Commissioners' reserves in this district are dealt with under section 243 of the Land Act of 1892, which enables them to be dealt with by the Land Board on the same tenures as Crown lands are dealt with, and therefore Mr. McGregor holds a lease in perpetuity of School Commissioners' land from the Land Board. I might say with reference to these reserves that when the Advances to Settlers Act was first passed they were not available for loans, as only Crown lands held under perpetual lease or lease in perpetuity were dealt with in the Act. In consequence of an application coming from this district before the lending Board a loan was granted on one of these leases, and I was instructed to prepare a mortgage. On looking into the Act I discovered the omission of education reserves. Although they were dealt with practically on the same tenures as Crown lands they did not come under the Advances to Settlers Act at all, and no money could be advanced upon them. I informed the Board, and suggested an amendment to the Act. The Act was amended accordingly and now deals with tenures referred to, whether under the Land Acts of 1877, 1885, or 1892. The question has cropped up frequently as to the position of those persons holding education reserves under the Land Board. I might say that I have had considerable experience professionally in this matter in this district. Most of the settlers in the Wendon and Wendonside districts who took up School Commissioners' land did so in the years 1888, 1889, 1890, and 1891, and the result was that they all took it up after the Land Act of 1885 had been amended by the Land Act of 1887, which gave the privilege to all holders of a perpetual lease to acquire the freehold. It was that Act that first gave them the right to acquire the freehold. The result was that many of the persons who held these leases and were desirous of acquiring the freehold made application from time to time to the Land Board, and in the ordinary course got the freehold, although the land they held was education reserve. It was not until about the year 1894 that a sudden discovery was made that the Boards were giving the freehold of land they had no legal right at all to part with, and after a good deal of discussion and correspondence an Act was passed in 1896 (the Reserves and Crown Lands Disposal and Enabling Act) which enabled the Crown by Proclamation to authorise the giving of the freehold of any of this land. The freehold of the land was given only on the request of the School Commissioners and the recommendation of the Land Board. Several clients of mine applied for the freehold under that Act, and some of them succeeded in getting it. During the absence of the late Sir John McKenzie in Europe the acting Minister refused to give these titles, but on the return of the Minister an appeal was made from the decision of the acting Minister, and in some cases the titles were granted. They are now refused absolutely, and the Government hold but inducements to every one to exchange the perpetual lease for the lease in perpetuity by offering a 1-per-cent. reduction in rent, and by allowing the reduction to date back to the beginning of their original leases. By this concession many of the tenants who converted their leases have sat rent-free for some four or five years. I have correspondence now in connection with two or three cases where the freehold has been refused, although the tenure of the applicants was on all-fours with that of several others who had previously obtained the freehold in the same district. The freeholds have been refused owing, I suppose, to a change of Administration. But in all instances that I can remember any application made for a change to lease in perpetuity has been granted. Personally, I do not see why a lease in perpetuity is not as good a tenure as a freehold. The matter of sentiment comes in to a certain extent, but I think any one who has any experience from a money-lending point of view will recognise at once that there is a difference in the value of the tenures when the owner wishes to borrow. The only reason I can see to account for that difference is that the holder of a lease in perpetuity is restricted in his market—he can only sell to a restricted class of persons, to those who, with the lands proposed to be purchased, do not hold more than 640 acres of first-class or 2,000 acres of second-class land. On the other hand, the freeholder can sell when and where 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. As a matter of fact, the main characteristic of the freehold from a legal point of view is the absolute right to dispose of it when and where you like. I might say that popularly the word "freehold" has a more restricted meaning than its legal meaning. A life estate or an estate tail is a "freehold" in the eye of the law, and yet a lease in perpetuity is not, although it is held for 999 years. In using the word "freehold" the public really mean an estate in fee-simple. There is another point in reference to lease in perpetuity I would like to mention. Under that tenure a man may hold up to 640 acres of first-class land or 2,000 acres second-class. Now, I take it, that the object of all land-settlement, as far as possible, is to bring about the best cultivation, and to distribute the land as far as possible over a large number of homes. Well, it seems to me that there is no provision in the Land Act which gives to the holder of a lease in perpetuity, who is desirous of dividing his farm by his will amongst the members of his family, the right to do so. That is a weakness, and there is no necessity why it should exist at all, because if a man wished to divide up his farm it is merely a question of stating how he wishes the division to be made, and then for the Land Board to appoint some one to inspect the land and fix the rental to be paid in respect to each portion of it, and so enable the various devisees of the land to take their portion at the rent

attached to it. Under the Land Act at the present time there is the right to have the land surrendered and put up again with valuation for improvements. There is no reason why it should not be divided, if desired, in the way suggested to meet the case I mention. I do not see why this should not be done by the lease-in-perpetuity holder as of right, instead of leaving him subject as at present to the desire or whim of the Land Board for the time being. I think he should have the same privilege of subdividing his land as a freeholder has, and I think an amendment of the Act to meet cases of that kind is worthy of consideration.

85. *The Chairman.*] Put yourself in the position of the State, and if you were the landlord would you like a lessee to put in a new tenant without your concurrence?—Provided that a proper adjustment of the rents was made and an attornment signed, the new tenants would become the direct tenants of the State, and I do not think that any exception could be taken to such an arrangement. If I am prepared to part with the possession of my land for 999 years, it is a matter of indifference to me who holds the land, provided the rent is paid and the conditions of the lease fulfilled.

86. You know that a landlord may often, without giving his reasons, object to a particular sub-tenant?—That difficulty is inseparable from all leasehold tenures. It presents itself whether the holder of a lease in perpetuity leaves the whole of his leasehold land in one piece to one person—the Land Board cannot object to that—or subdivides the land. I do not see why it should make any difference whether he leaves it in one piece or whether he subdivides it. Each tenant thus taking up the land would be severally liable for the rent of his particular portion. There are a large number of lease-in-perpetuity holders in this district, and my experience is that there is no way of dividing a man's property on that tenure under a will—a man cannot as of right give a portion, for instance, to each of his sons. There is no doubt, as far as the leasehold tenure is concerned, unless you give a sufficiently long lease with full valuation for improvements, the effect will not be satisfactory, and, especially with regard to town sections, the nature of the buildings put on the land will be seriously affected.

87. *Mr. McCardle.*] You are acquainted with the various land-tenures—the lease in perpetuity, the lease with right of purchase, and the freehold?—Yes.

88. Can you give any reason why a man holding a leasehold should not be treated in the same manner as a man holding a freehold? You know that within a certain number of years a man must make certain improvements: do you not think, especially in the case of bush land, that the State would be doing right if it relieved the settler from restrictions as to improvements and residence? Would that meet the difficulty as to a man willing his property?—I see no objection to the State relieving the tenant holding a lease in perpetuity from his restrictions, provided he put on the same improvements as the freeholder.

89. He puts on more improvements now under the Act?—I see no objection to it. I think that as soon as he puts on sufficient improvements to make the State safe that should be sufficient.

90. In your opinion, it would be an advantage to the individual and no detriment to the State if he could deal from that time through the Land Transfer Office, as other titles are dealt with?—In order that a man should be able to transfer, say, half his property as a leasehold the Act would have to be amended.

91. In regard to the advances to settlers, in your opinion, would it be an advantage to the settler, and the State would run no risk, if the Act were amended so that the holder of a leasehold might borrow up to three-fifths of his interest in the land, in view of the fact that there is already a sinking fund provided for the liquidation of the debt within 36½ years?—I see no objection to lending up to three-fifths of his interest in the leasehold. I may here add that people are continually referring to their "improvements" instead of to their interest in the leasehold. A lease in perpetuity carries what is usually termed an unearned increment just as much as a freehold, and that is a legitimate security on which to lend money.

92. In your opinion, if that amendment were made, it would be a step in the direction of satisfying the leaseholder with his tenure?—Yes. There is another point I wish to mention in connection with the advances to settlers, and that is that an ordinary wooden building is done or worthless long before the end of the 36½ years. I think, however, that if the 1 per cent. were paid regularly during that period the depreciation in the value of the improvements would be more than covered.

93. *Mr. Paul.*] Do you think the restriction as to area in land held under lease in perpetuity is a disadvantage?—From a money-lender's point of view, I gave that as a reason why the money-lender would not so readily lend money on a leasehold as on a freehold. The money-lender does not want to have the land thrown back on his hands. He is not a farmer. Very often the person to whom he can most readily sell the land if it falls into his hands is the adjoining landowner, but under the present law he has no option but to go outside and get another purchaser if the adjoining landholder is disqualified by his present holding from buying a lease in perpetuity.

94. *Mr. Forbes.*] The Borough Council of Gore have several reserves which they have let?—Yes; a large number.

95. Would you favour them parting with the freehold?—Certainly not. Experience has shown that in the case of local bodies there is an inclination on the part of those having the expenditure of the money to spend it if they have it. So long as their property is in the shape of land they cannot part with it. The rent forms a permanent revenue.

96. The one is permanent, and the other may not be?—Yes.

97. *Mr. McLennan.*] Has it come under your observation as a solicitor that there is any dissatisfaction among the lease-in-perpetuity tenants?—I do not think there is dissatisfaction so far as the tenure is concerned further than the fact that the leases are not available as security to the same extent as freeholds. A large number of farmers require accommodation from the banks, but a good many bank-managers speak doubtfully about the lease in perpetuity as a security. They think the rent under a Revaluation Act may be jumped up at any time. As a matter of fact, that is not so in regard to the lease in perpetuity. It is practically as good as the freehold.

98. *Mr. McCutchan.*] You advocate an alteration being made in the law, so as to enable a man to subdivide his lease-in-perpetuity section amongst his children?—Yes.

99. In the case of a man who is anxious to divide his land amongst, say, his three sons, has any instance come under your notice in which such an application has been refused by the Land Board?—Holders of lease-in-perpetuity sections do not, as a rule, divide up their land in their lifetime. It is usually by will that this is proposed. I cannot recollect any case that has cropped up, although persons have spoken to me about it. A solicitor usually advises a testator that he cannot subdivide a leasehold without the consent of the landlord, hence it is seldom attempted.

100. Supposing a man states clearly in his will that he desires his property to be divided amongst his three sons, is there anything in the law to prevent the Land Board carrying out the wish expressed in the will?—There is nothing to prevent them carrying it out, except that the Land Board can refuse the application if it thinks proper. There is also the risk, if the leases are offered by auction, of some outsider purchasing over the heads of the proposed new tenant.

101. There is one Land Board that has been in the habit of refusing transfers where the consideration was in excess of the actual improvements?—If any Land Board did that I think it must have gone beyond its power. I think the discretion of Land Boards should be a judicial one, and should be subject to review by the higher Courts of the colony. If they refuse to do what you suggest I think it would be very much against the interests of the tenant, and, of course, it would be against the interests of the mortgagee (if any). At the same time I cannot imagine any Land Board being so crass as to try and rob a man of what it was intended should belong to him under the lease in perpetuity.

102. With reference to subdivision, we have seen the evils of excessive subdivision in other countries: do you not think the same might occur in this colony?—I do not think the authorities have laid it down that 640 acres of first-class land is necessary to maintain one family.

103. I understood that you advocated the right of subdivision as an absolute right of the tenant?—With reasonable restrictions.

104. A discretion must be left to the Land Board?—Yes. The Land Board must have discretion, for instance, in regard to adjusting the rent between the different tenants, otherwise all the rent might be thrown on one portion of the land and on one tenant if the Board did not have some discretion. The question is really that of a "living wage" applied to the farmer.

105. *Mr. Forbes.*] Do you not think, in reference to the constitution of Land Boards, that it would be wise to allow the Crown tenants to have a representative on the Boards, so that their interests might be properly attended to?—No, I do not think so. Land Boards are simply administrative bodies representing the landlord—in fact, they are the landlords so far as the tenants are concerned. If, however, there was a dispute that had to be settled between the Board and the tenant, it would certainly not be unreasonable to have it settled by arbitration or by the superior Courts.

106. *Mr. Anstey.*] Nearly all the advocates for granting the freehold to leaseholders say they advocate it subject to restrictions as to area, so that they may only get a restricted freehold. If they had a restricted freehold they would not have the fee-simple?—The restriction in area is not a question of the first purchase from the Crown only. To be effective the restriction would have to apply to a man who has acquired the 640 acres from any source, in order to prevent him buying more land alongside his present holding.

107. From a money-lender's point of view, a restricted freehold would be very little better than a restricted lease in perpetuity?—Very little better, as it would not be so readily saleable.

108. Suppose a money-lender were to advance money to a lease-in-perpetuity settler, would it not be possible for the settler, if he paid his rent, to defy his creditors, because the creditors have not the right of foreclosure?—There is no reason why he should not foreclose and sell the lease to some one who can hold it. The consent of the Land Board and Minister has to be obtained before a mortgage can be arranged, but under the lease in perpetuity a mortgage is almost unknown.

109. Under the lease in perpetuity the Minister will never consent to a foreclosure. Is there any reason why the right of foreclosure should not be granted, and if that were done would not the lease-in-perpetuity holder have as good security as the freeholder?—Yes; quite as good. And there is no reason, as far as my personal view goes, why the lease-in-perpetuity holder should not be free from all restrictions as to borrowing just the same as a freeholder.

110. That is, if a man had property worth £1,000 he should have a perfect right to pledge it up to that sum?—Yes.

111. If that right were granted to the lease-in-perpetuity settler his position as a borrower would be as good as that of any other person?—Yes; especially if there were no restrictions as to cropping. It would be practically as good as the freehold. To my mind, the charm that the lease in perpetuity has from a State point of view is this: that it gives the State control of the land so as to prevent the aggregation of estates without interfering with the principle of the tenure. If all the land in the colony were held under lease in perpetuity the aggregation of estates would be impossible without the consent of the Crown; but in the case of the freehold, if you restricted its free right of disposition you would be striking at the very principle of the freehold tenure—you would be interfering with the right of the freeholder by limiting his market.

112. *Mr. Matheson.*] Does the law not also give the Land Board a discretion as to whether he can leave the whole of his leasehold to any one person?—Yes. It has a discretion in this way: that the person to whom the land is left must be qualified to hold it.

113. *Mr. Hall.*] Would it be well if the Crown tenants had the power to pay off part of the capital value, so as to reduce their rental—of course, retaining their leases under the same conditions?—That is entirely a question of State administration. Personally, I think it would perhaps be in the interests of the State that a reasonable portion of the land should be retained by the State.



114. I mean that a man out of his savings should have the power to reduce his rent to, say, one-half?—I think that, seeing only 4 per cent. is being charged, the tenant can make use of his money to greater advantage than by paying off the principal. There is another point I should like to draw attention to. I notice that evidence has been given before the Commission to the effect, in the case of certain land at Stewart Island, that owing to the improvements not being effected within seven years no freehold title can be obtained for the land. I think the time might be extended within which the improvements could be made. I think also it is a great pity to allow the bush to be destroyed on harbour frontages, especially where the land is of more value for scenic purposes than for cultivation. I am of opinion that if the State got an extra 5s. an acre in cash where the land was originally sold for 10s., as on Stewart Island, the freehold tenure should be granted.

DAVID LAMB examined.

115. *The Chairman.*] What are you?—I am a storekeeper at Waikaka, and have been there about thirty-eight years. I have some freehold sections in the township. I have come here on behalf of tenants of the School Commissioners. The condition of things is really deplorable under the present tenure, and the settlers are anxious to have the reserves brought under the administration of the Land Board, or to get the same privileges that Crown tenants have. It is a large and a good district if we only had a proper tenure, but, so far as settlement is concerned, this endowment has been the bugbear of the whole district. They give no refund for road-making, and the leases are very unsuitable owing to the shortness of the tenure, and not sufficient allowance is made for improvements. The leases are for fourteen years, but such a lease is no better than a nine- or ten-years lease.

116. If they had the option of taking up the leases under another tenure what tenure would they favour?—Some of the tenants are here and they can speak for themselves. I think that the lease in perpetuity is just as good as any freehold. I intended to take up a piece of land on lease from the School Commissioners, but when I looked at the terms of the lease I would not entertain it.

117. We have evidence that there is a large reserve in your locality which is being overrun with gorse. It is under the Mining Act, and we are informed that the gorse is likely to become a pest?—I know that there is gorse there, but I think the witness who said it would take £500 to clear it was exaggerating. There is no doubt something should be done. The reserve is in charge of a local committee called the Commonage Committee, of which I am chairman. We can only go as far as our revenue will permit in the destruction of rabbits and noxious weeds. We have been put to considerable expense in clearing the place of ragwort. Our revenue is obtained from the fees for grazing on the reserve. We get 4s. a head for cattle and horses.

118. You have no surplus with which to destroy the gorse?—We have a surplus, but not sufficient for that purpose.

119. Then, you are incapable of properly managing the land so as to remove the gorse?—We have not sufficient funds to do that. I think the land should be cut up into smaller areas and be given to the people for the purpose of growing flax, &c., on it.

120. It was suggested that it might be leased to a few parties?—That would be very unpopular. The commonage is for the use of the miners.

121. How would it be to increase the grazing charge to, say, 10s. a head?—I do not think that would be too much. Our revenue is only between £25 and £30 a year.

122. Is the Commonage Committee empowered to fix the charge per head for cattle?—No. It is fixed for us. Something should be done in regard to this reserve, for it is keeping back the surrounding district. It was never intended that this reserve should impede settlement, and every bit of power we have got has only been obtained from the School Commissioners at the point of the bayonet. If it had not been for yourself (Mr. McKerrow) and Mr. Rolleston it would have been locked up still longer.

123. *Mr. McCardle.*] You are of opinion that the Government should take over the administration of this reserve and let it out under perpetual lease or lease in perpetuity?—Yes.

124. Do you know what rents are being paid for this land?—Various amounts. I do not think the rents are so very high.

125. What is the value of that land per acre?—It is of fair quality, but being so far away from the market keeps down the value considerably.

126. *Mr. McCutchan.*] What is the area of the commonage?—800 acres.

127. Did the Government ask you to make a recommendation as to the charge for running cattle on the commonage?—No; but that might have been done when the first trustees were appointed.

128. *Mr. Anstey.*] Would the result you wish be accomplished by cutting up the land into smaller areas?—I think there would be an objection towards keeping the land as a commonage.

129. You are not getting sufficient revenue to keep down the weeds?—No, but I do not think it would take so much as has been said to keep down the gorse.

130. If it were let to a tenant with some security you would get a substantial rent for it, I presume?—Perhaps so, but there is another thing to be considered. A good part of it has been let for dredging, and there is every likelihood that that ground will be again used for that purpose. The Government get the revenue from that source.

JOHN MILNE examined.

131. *The Chairman.*] What are you?—I am a farmer at Waikaka. I am a Crown tenant and hold 400 acres under lease in perpetuity. I pay about 1s. an acre. The land is about twenty-five miles from here and is rough and hilly. It had been long unoccupied before I took it

up, and it had cost the State a good deal to keep down the rabbits on the land. At one time it was part of the educational reserve. The point I wish to draw attention to on behalf of myself and some others is this: The land was put up for lease, and some of it ran to a very high figure—as high as £8, £10, and £12. Subsequently some of the land was again put up, and after it was improved some moneyed men took up the land—indeed, they got the pick of the land. That land is now freehold. It was only the second- or third-class land that was left and was taken up by others. We want the freehold. There is a class of land reformers who are advocating the leasehold with periodical revaluation. We do not want revaluation. I may say that in three years I put eight hundred pounds' worth of improvements on my 400 acres.

132. Under the lease in perpetuity there is no revaluation?—By a certain section of public men revaluation is advocated. We would rather have the freehold because it gives more freedom. I have 640 acres of freehold land adjoining the leasehold. If I wanted to divide my land I could do as I liked with the freehold, but I would have to get the consent of the Land Board in dealing with the leasehold. Under the leasehold tenure a man has not the same interest in the land as he has in a freehold. I want either a freehold or provision made against periodical revaluation of the leasehold. The younger people are not taking the same interest in the land as they used to, and we can hardly get a young fellow bred on the land to take up the plough and settle on the land, and we have in many cases to employ men from the towns who know little or nothing about land to do this work. I believe in the deferred-payment system, which enables a man to secure the freehold when he is in a position to do so. I do not believe in spot cash, because that gives moneyed men a monopoly of the land. I believe in a man earning his freehold.

133. *Mr. McLennan.*] You are satisfied with the rent you are paying?—Yes; but I would like more security for the money I have put into the land.

134. Supposing the Act was amended to enable a change to be made in the tenure, would you agree to the land being put up to auction?—Yes. I think it would be fair as long as I got the eight hundred pounds' worth of improvements.

135. *Mr. Anstey.*] In taking up the land under lease in perpetuity, did you think that was better than a thirty-years lease?—I did at that time, but I do not think so now. If I had taken it up under a thirty-years lease I would have got the freehold by this time. With respect to the school reserve, I bought an interest in 900 acres some years ago for my two eldest boys, but it has turned out a failure. It has not given them any encouragement and the land has come back into my hands. If I can get out of it I will do so. The land will be put up to auction in a few days, and if any other person will take it up they can do so. It is a bad system for the young people and it is also bad for the country. If it were freehold property the improvements would be between £600 and £700.

136. What are the improvements put at on that section?—The Government valuation is about £400, and the School Commissioners' valuation to me is £260.

137. You think there are seven hundred pounds' worth of improvements?—Yes.

138. What is the upset price?—1s. an acre, and they want the present tenants to give them a guarantee that they will take up land for the next twenty-one years. I would not give such a guarantee. That is what is driving the young men who have been born and bred on the land from it. I only ask for what is fair, and I say that the State ought to have this land better administered, because that would be in the interests of all concerned.

#### ROBERT KEITH examined.

139. *The Chairman.*] What are you, Mr. Keith?—I am a farmer at Waikaka and Wendon Valley.

140. How many acres do you farm?—518 acres of freehold and 712 acres of leasehold, which I have for fourteen years from the School Commissioners.

141. How long have you been farming there?—About twenty-eight years.

142. Is your land devoted principally to mixed farming?—Yes.

143. What is your rent of the School Commissioners' land?—1s. per acre.

144. Will you state what you wish to bring before the Commission?—I was going to speak about the School Commissioners' tenure.

145. Do you think it is unsatisfactory?—Yes; it is very one-sided.

146. We have been told that the leases are too short, that not sufficient is allowed for improvements, that the administration is not very satisfactory, that not enough is given for roads, and that you are not in the same privileged position as if you were under the Crown?—That is so.

147. I suppose you would like to come under the administration of the Land Board?—Yes; I think it would be more satisfactory.

148. Would you like a longer lease?—Yes. The lease is too short. When one is improving rough country the lease is practically up when one is beginning to reap the benefit of the work done.

149. You would like to be under the lease in perpetuity under the Land Board?—Yes; I think that is very fair; but many of the tenants would prefer a lease with the right of purchase.

150. Is there any other point you would like to touch on?—I interviewed the School Commissioners lately. They had said they were restricted under Act of Parliament to certain conditions, and that they could not give valuation for grassing, ditching, and roadmaking.

151. In other words, personally they were quite agreeable to it, but they had not the power?—I understood that from them.

152. When did you interview them?—About a fortnight ago. I went to them about the valuation, which I did not consider satisfactory.

153. *Mr. McCardle.*] You are not quite satisfied with the lease in perpetuity?—I would prefer the lease with the right of purchase, which I consider a fair lease, as it gives the people the right to execute their wishes if they desire a freehold, and if they want a lease they may continue it.

154. For what reason do you prefer the right of purchase?—I think a man is freer under it, and, in addition, he gets more value for his improvements if he wants to leave the district, or if his health fails him.

155. You think that under it you are handicapped if you want to sell out?—That is so. One cannot sell to the same advantage.

156. Have you observed the operations of the Advances to Settlers Act?—I know a little about it, but I am not quite clear on it.

157. To your knowledge, have the settlers been operating in the way of loans from that office?—Yes.

158. Have they generally got what they considered a fair amount?—I know of only a few private transactions.

159. Do you think the Act ought to be amended to allow the Government to advance three-fifths of the holder's interest under a lease in perpetuity?—Yes, I think so.

160. Or under a lease with the right of purchase?—Yes.

161. You think that the objection to the 999-years lease is the restrictions?—That is so. A man has not the same freedom as with the freehold.

162. *Mr. Paul.*] Do you think it would be a wise step to give the freehold to the tenants of educational endowments?—The view I take is that the more you can take out of the land the better it is for the State, and I think it would be for the benefit of the tenants too that the freehold should be allowed. I think you would get more out of the land in that way. I think the leases are detrimental to the country's interests. At present, in the case of a man with a lease, if he is going to farm to pay himself he must take all he can out of it, because he has not the right of renewal, and his cultivation or his labour is put up to auction and sold in the public market.

163. Are you speaking now of the lease in perpetuity?—I am speaking of the leases of the educational endowments under the School Commissioners.

WILLIAM WADDLE examined.

164. *The Chairman.*] You are a farmer, Mr. Waddle?—Yes, at Waikaka Valley

165. Are you a freeholder?—Yes.

166. Have you any leasehold?—No.

167. How long have you been in the district?—Since 1875, when I took up a deferred-payment section under what was called the Donald Reid Government.

168. What was the area?—533 acres. I got 200 acres of this area under deferred payments. That was the limit at the time.

169. And the balance you bought?—Yes.

170. Was the deferred-payment system satisfactory to you?—Yes, it was a great success.

171. Having been so long in the district, you will, no doubt, give us some valuable evidence about the settlement of the country?—I left Scotland in 1863, and have been in Southland since then. During that time great alterations have taken place in the land-administration. Southland was a separate province then. I am sorry to relate, but nevertheless it is true, that a number of men bought up land at that time for speculative purposes. They tried all schemes to conserve it. These people—the pioneers and the squatters of Southland—got stranded, and 90 per cent. of them lost their capital. A great many of the pioneers, and even some of the squatters, died paupers.

172. To what do you attribute that?—Well, it has been recognised for many, many years that land is a hungry thing, because you cannot conserve it. It will cost more money to keep it than it will recoup to you. That is my experience of farming. I was a farmer at Home. I could only take two rents off the farm when I required three.

173. You could only take two rents off it?—Yes. I may explain my meaning to the Commission. A theory in scientific farming is that before a landlord can be successful he must lease his land to allow that the tenant gets three rents out of it. The first rent goes to pay the landlord, the second to pay servants and working expenses, and the third to recoup the farmer for his outlay of money, his management, and his loss of stock. Unless that is carried out it is impossible to farm. I could only get two rents. I could not get anything for myself, and therefore I left Scotland. After coming to Invercargill I bought a freehold property, and I have held land ever since that period. It might amuse the Commission to know that at that time I bought 60 acres of oats from an unfortunate man named Turnbull at 5s. an acre within a mile of Invercargill. I used to buy crops for £1 an acre. Just recently I saw reference made to the history of Edendale. It was said that land was sold for £12 an acre. If my memory serves me right, the late James Shand bought it at £12 an acre. He also occupied a lot of fine country on the banks of the Oreti, near Winton, and was the most enterprising farmer of his day. His crops realised from £1 10s. to £2 an acre. The history of the early settler in Southland is not a bright one. I come from a farming race myself, and I say that it is very hard work. In reference to the surrounding district—say, within twenty or thirty miles of this place—the land all passed out of the hands of the original owners, and when the Government introduced the deferred-payment system a portion of it was set aside as freehold. All that land was resold at a loss. Some land that cost £3 or £4 an acre was sold at the end of ten years for £1 10s. an acre. All the runs within a radius of thirty miles have been disposed of as private property—so much cash down and the balance in instalments—and I am happy to say that all the people who bought land on those terms have been prosperous. They employed much labour, and have been large contributors towards the funds of the State. They did much to tide New Zealand through its infancy. That is my experience of the land around Gore. The only failure that has occurred under my observation is the Pomahaka Estate. Some years ago some of my neighbours had sons ready to go to work. They were the proper stamp of men for farms, having been brought up to the work, and it grieves me to think that they took land there and had to abandon it. Another of my neighbours tried his luck at

Tokarahi. He abandoned his land there, and is now farming in England, where he is doing much better. Some of my friends who left this district have also gone to England, where they are doing well. When a man has the leasehold he cannot utilise his land to the best advantage. Men with leaseholds are restricted in their operations. They are tied down with a certain rotation, so that in the event of cereals going up they cannot prepare to supply the demand. This is what I mean: The Press gives a forecast of what is likely to be in demand, and the freehold farmer prepares accordingly. Being a freeholder he can utilise so-much of his property to meet the times, whereas the leaseholder cannot do anything of the kind. It might suit a man to have a certain area under cereals or in pasture to suit the times. That is what constitutes the difference between the freehold and the leasehold. For a man with limited means the leasehold is right in itself as a stepping-stone to the freehold, but to get a prosperous country I contend that the peasantry must be prosperous. No country will exist where the peasantry are harassed. They must be liberally dealt with and their interests conserved. The scheme of land-settlement is working right enough and the intentions were good, but success has only come half way. The people were put on the land but have not been kept on it, and hence the dissatisfaction that now prevails. I am speaking now of the Crown tenants. I saw an article in the paper with reference to some people who had voted against Ardgowan being taken over. I may point out that wheat was then 5s. a bushel: it was in 1897 or 1898. Wheat has now receded in value to 2s. 6d. and 2s. 9d., and hence the awkward position in which these people find themselves.

174. Ardgowan is a great success. It is close to Oamaru, and is different from most of the Oamaru country in that it has a moist climate?—I do not know about that. I am only speaking of what I saw in the paper. With regard to the Waikakahi Estate, I know that some of the settlers are abandoning it because they cannot get the three rents out of it. It will not pay a man to work land on the agricultural system unless he gets his three rents out of it. Pastoral land is in a different position.

175. *Mr. Paul.*] You consider that the restrictions on the leaseholds are too exacting?—Yes.

176. Would you favour more discretionary power being given to the Land Boards?—I have not considered the question very much. It is almost impossible to give concessions to meet the case of the bulk of the people who are going on the land under present conditions. My experience of most people in New Zealand is that they do things in a very haphazard way.

177. I understand you to say, then, that it would be no use giving Land Boards more discretionary powers, because the class of men who go on the land are not suited for it?—I would like to give the Land Boards power to discriminate between different grades of land.

178. *Mr. McLennan.*] Will you be good enough to give me the name of the settler who failed at Tokarahi?—I can tell you privately. It is not a public matter.

179. If he left Tokarahi, I take it, he got so-much for his improvements and goodwill; and when a man gets £200 or £300 in that way the section cannot be a failure?—He told me he could not make a success of it. It is possible he may have transferred his land to another person for a consideration.

180. *Mr. Forbes.*] Does your experience among leasehold farmers show that they are not farming their land as well as the freeholders?—Yes.

181. You think the leaseholders are not farming as well as the freeholders?—That is so.

182. And that would apply to the land-for-settlements estates as well?—Yes.

183. How do you account for that?—There is so little in the farming that it will not pay them. They cannot utilise their land properly. They are under restrictions that prevent them from taking advantage of their opportunities to cultivate what is required to suit the times. They are bound by restrictions as to cropping.

184. Would you think it would be a reasonable thing that these restrictions should be removed to a large extent when the tenant has sufficient improvements on their land to safeguard the landlord?—The only way you can satisfy the Crown tenants is to give them the land at such a price that they can make the three rents out of it. The settlement of the land will be a success then.

185. Do not the farmers round here get the three rents?—No. Even the freeholder does not get them. He is not able to educate his children properly, and how, then, can the Crown tenants educate theirs?

186. The Government Valuer said that the land here was increasing in value. That shows they must be doing all right out of the land?—That occurred some years ago through Mr. Hawkins, who was on the Magistrate's bench. He valued the land at Pomahaka at £2 an acre. Next year Major Keddell was sent down, and he laid on the lash unmercifully, and, as a result, some of the tenants sold out, alleging that they had been "had."

187. Do you think that the land is overvalued?—You cannot value land too low to nurse a peasantry.

188. *Mr. Anstey.*] Do you appear here as the representative of the Farmers' Union, or any other association?—No. I am not a member of the Farmers' Union. There is also a Farmers' Co-operative Association here, but I am not a member of it either.

189. You know of a great number of leaseholders who have abandoned their sections?—Yes. A great number have left Gore for Waikaia.

190. Are there any freeholders who have abandoned their sections here?—I think that not more than 1 per cent. or 2 per cent. abandoned their land under the deferred-payment system.

191. More leaseholders have abandoned their sections than freeholders?—Yes, a much greater number.

191A. Did you not tell us that 90 per cent. of the original freeholders lost all their capital, and that some of them died in poverty?—I said so; but the people I referred to bought up all the frontages to conserve the land, and consequently many young people who had accumulated money on the diggings and wanted land could not get it, and had to go to Canterbury. That class of men had to give way.

192. Did you say, then, that there are more freeholders than leaseholders who have abandoned their land?—I referred to the speculators when I spoke of the freeholders.

193. Do you think that 90 per cent. of the leaseholders have abandoned their sections?—I cannot tell that. The freeholders I speak of did not abandon their sections, but they had to sell them.

194. As to the settlers who abandoned their sections at Waikakahi, did they abandon them because they were failures, or did they sell out at a profit?—They told me they could not make it pay. I was there at the time. I made no other inquiry, as I did not want to look into their business.

195. Seeing that you have had to go so far afield for failures, must we assume that the leaseholders around here are successful, and that you could not find instances of failure in your own neighbourhood?—I am giving a general description.

196. You had to go to Waikakahi, then, for instances of failures?—Waikaia was a failure, and so was Pomahaka. I have friends at Waikakahi, and from them I heard of the cases I have mentioned.

HUGH SMITH examined.

197. *The Chairman.*] What are you, Mr. Smith?—A farmer.

198. A freeholder?—Yes.

199. How many acres do you hold?—340 acres.

200. How long have you been in possession of your farm?—About eighteen years.

201. Where is your farm?—Between four and five miles out of Gore. I may say that I came to the district with my parents in 1876, when my father took up a deferred-payment section.

202. Do you use the land for mixed farming?—Yes; for grazing and for cropping.

203. Have you any particular point you wish to bring before the Commission?—I may say that I am a member of the Waikaka branch of the New Zealand Farmers' Union. They decided to appoint a delegate to attend the sitting of the Commission to give evidence. We understood the Commission was to take evidence as to the feeling of the settlers in the country respecting the desirability of giving intending settlers the best form of tenure. We want to get our young people to settle on the waste lands of the country, and to take up the land the Government acquires.

204. How many members are in your Waikaka branch?—Fifty-odd—fifty-two or fifty-three, I think.

205. Would you kindly give the Commission the views of yourself and your brother-members on the question of tenure?—I came here when the land was thrown open on the deferred payment, but I did not get a section, as I was too young at the time. The early settlers were either men with families who could help them, or young men who were starting in life. Many of the young men got deferred-payment sections. Some of these people came here to better themselves, and were determined to take advantage of every opportunity they got. I consider that the deferred payment is the best system of settling the land. Evidence of that can be found about Gore. All those who got land on fairly easy terms did well. They realised that their whole success depended on their efforts, and they buckled up their sleeves and went into it. There were no eight hours a day. They had paid rent long enough, and worked long enough for others, and they wanted to make an independence for themselves and their families. The day was not too long for them, and they worked at all hours. They did not come with a great deal of capital. The deferred-payment system was for ten years—that is, it took ten years to acquire the freehold. When we came to Gore there were few buildings; but as time went on, and as those settlers acquired the freehold of their land, a marked prosperity took place in Gore. The land has increased considerably in value. It may have doubled in value under the settlers' influence, but it has increased perhaps tenfold in Gore through the increased trade brought in by the settlers round about. As a settler, and as one who has been brought up to it all my days, I contend that if we are going to give encouragement to those who wish to settle on the land and reclaim lands that are practically waste we must give the people some chance to acquire the freehold of the land. Lately we had a gentleman addressing us on the land-tenure of the colony, and pointing out the benefit it would be to all if the State were to own the lands of the colony. I think it may be advisable to retain a proportion of them for certain purposes; but if you want them farmed to the best advantage you must give an opportunity to men to settle on those lands and farm them intelligently. In order to encourage settlement the State should also assist people who take up land. Fencing and buildings are required. The Government ought to help settlers in these matters, and charge interest on the expenditure. In the Home-country, when drains and buildings are required the work is done by the landlord. He realises that the improvements belong to him. I am here representing the Waikaka branch of the union, and that is my opinion, and it is the general opinion of all the settlers in my district. My neighbours have been working-men, and are working-men still. All the deferred-payment areas were 200 acres; but when a man's family grows up that area is too small, except for dairying. For mixed farming you require more land, and as a consequence several of the settlers have sold out. Some of them have acquired land alongside of them, so as to employ members of their family or other labour. As far as the aggregation of estates is concerned, it will not be found here. The graduated tax and the conditions of labour which are nowadays favourable to the working-men debar a man from acquiring land in this district and employing a lot of labour. The land here requires a great deal to be done to it. Winter feed has to be provided for stock, and the land, having lost its natural fertility, requires a good deal put into it in the way of manures and working it. Our opinion is that if the lands of the colony are to be profitably and well settled the farmers must be given the tenure they require, and the only tenure that would be satisfactory to most of the settlers that I know is the freehold tenure. They will do their best to acquire it, and at the same time they will do their best for the country.

206. Are there any of your fifty members who hold land under lease in perpetuity?—One or two of them, I think.

207. They also wish the freehold?—I could not say. I am not sure whether it is education reserve or town reserve that they hold. There are some instances in which first-class land can be obtained reasonably on a leasehold tenure, and it might be better in those cases if the Government were to give the tenants the freehold of the land. The Government might get a better return by selling and putting the money into their debentures. I think if that were done they would get as much as they get for the lease of the land.

208. Do you think the settlers would risk exposing their lands to auction, or would they hold on to the tenure they have?—I think they would prefer to hold on to the tenure they have.

209. *Mr. Johnston.*] Settlement would not have been the success it has been if it had not been for the deferred payment?—No. The poor man would not have had such a good chance. The young man who had not saved much money, or the man who had been a working-man and had a family growing up, had an opportunity under that system to take up land. He could not have taken it up under any other tenure.

210. Is yours an agricultural or a grazing farm?—Agricultural.

211. Have you got any weeds on it?—Yes, a few.

212. Ragwort?—Yes; where the sheep cannot get at it. I have some land near the railway at Pukerau which I intend to put the sheep on to.

213. Any Californian thistles?—Yes; it is all over the country here and there.

214. How could it be got rid of?—We mow or chop it down.

215. You bought a freehold property?—Yes.

216. What did you pay for it?—£4 in the tussock.

217. What do you value your improvements at?—Fencing and labour and everything else I value at about £7 or £8. It might be more.

218. Then, you value your improvements at, say, £3 an acre?—Yes.

219. What is the land worth now? What would you get for it?—Between £7 and £8 an acre perhaps. I might get £7 if it was put up to auction.

220. There is no increase in the value, then?—I do not think so. The increase in the value is made by the people who settle round here. Much of the land round about has decreased in value.

221. In your experience, have you found that the educational reserves are well looked after?—No, excepting the instances I have mentioned.

222. *Mr. Paul.*] Do you say that there has been an increase in value in the country but a much greater increase in the towns?—Yes; generally speaking, that is so.

223. What is your opinion about the periodical revaluation of future leases?—I view it with some misgiving. The Government has always tried to do its best in the interests of the settlers, but we might not always have a Government so inclined, and if there were revaluations they might not be favourable to the settler.

224. Does it not seem equitable that if a leaseholder holds land which has decreased in value he ought to have a decrease in rent, and that if it increases in value he ought to pay more rent?—I might look at it from a farmer's point of view in a fairly good district. There is something in what you say. Possibly if the land had decreased in value he is entitled to favourable consideration, and if the leasehold has increased in value he would be able to pay possibly a little more.

225. Do you think that a settler under the Land for Settlements Act ought to get the freehold?—Yes.

226. Is it in the interests of the leaseholder to get the most possible out of the land?—I think it is in the interests of every one that he should do so.

227. Then, he is in no different position to the freeholder as far as production is concerned?—If he is on a leasehold it is to his advantage to take all he can out of it.

228. And if he is on a freehold it is the same?—Yes.

229. *Mr. McCutchan.*] You advocate the deferred-payment system?—Yes.

230. Would you substitute it for the lease in perpetuity?—I believe the deferred-payment system is the best we have had. The lease in perpetuity might suit a man with small capital or with less capital than the man who could take up land on the deferred payment, and therefore it would be beneficial. I think the right of purchase ought to be included in all leases, whether private or Crown. If I was taking up a leasehold I would like to have a purchasing clause inserted.

231. I understand, then, that you advocate the deferred-payment system being put on the statute-book in addition to the other methods of acquiring land?—Yes.

232. You are aware that there is an increase of 25 per cent. in the capital value under the deferred-payment system as against the leasehold system?—Yes, that is so.

233. You have been questioned with reference to the revaluation of land: do you think that, generally speaking, the inclusion of a revaluation clause in all leases to be given in the future would promote settlement and the welfare of the colony, or would it be a deterrent?—I think it would be beneficial.

234. You think that intending settlers would view the introduction of such a clause with favour?—I do not know about that. I believe they would. I do not see why they should not.

235. Land-values have been fairly stationary here?—Yes.

236. Is it not the case that year after year there is an increase in all forms of wealth in the colony, consequently the tendency in the future will be for land to increase in rental value rather than to decrease?—In answer to that I may say that land has increased in value lately, for we have had several real good years which has enhanced the value of the land. Farmers have been able to make more out of it than previously, and any one selling land is able to get more for it now. If a time comes when there is a reaction the land will go down, and that is where there might possibly be a hardship in the revaluation. There might be a revaluation when things are booming and the land would be valued according to the prices at that time; but things might

go back, when the farmers would not be able to make ends meet, and still they would be asked to pay the high rent.

237. The proposal is to revalue at periods of twenty or thirty years?—Yes.

238. Do not variations in the price of products happen in periods of five, seven, or ten years?—Yes, I believe so.

239. And therefore the hardship you speak of would not be obviated by the revaluation?—That is so.

240. Would you favour revaluations for shorter terms, to be concurrent with the variations in the price of products?—The longer term a man has without revaluation the more security he has. I would not favour terms of seven or even fourteen years. They would be too short.

241. And therefore the deduction to be drawn is that the revaluation you advocate really does not meet the case, for the reason that variations in the price of products would take place perhaps three or four times in the period you mention?—It would not affect the valuation at all. It would not matter when you valued it.

242. *Mr. Forbes.*] There is some difference of opinion about the terms on which the freehold should be granted to Crown tenants under the Land for Settlements Act. Would your branch of the union give the tenants the freehold at the price at which the land was taken up, or at the present market value?—We have never discussed the question, so that anything I say is for myself and not as the representative of the branch.

243. And what are your views?—I should say at the present valuation, when they want to acquire it.

244. *Mr. Matheson.*] You say that the longer term a man has without valuation the better his tenure?—I think so.

245. Therefore, having a lease of 999 years without revaluation is better than having revaluation at any period?—It would be a long time for the farmer to wait.

246. But you say that the longer between his valuations the better?—I mean anything in reason, say, twenty-one or thirty years.

247. You think it would be better with a revaluation at the end of twenty-one years than at the end of a longer period?—Yes.

248. *Mr. Hall.*] Regarding the conversion of the leases into freeholds, do you think it would be a gain to the tenants to get rid of the  $3\frac{1}{2}$  per cent. they now pay under lease and take on a mortgage at, say, 6 per cent.?—Certainly not.

249. Would not that be the result?—I do not know. I maintain that if a man has the money to acquire a property he ought to buy it. He should not mortgage to acquire a freehold.

250. Do you think it is in the interests of the country that land should be acquired under the Land for Settlements Act and broken up for settlement?—Yes.

251. If you were Minister of Lands would you, after using the taxpayers' money to acquire an estate, sell the freehold and run the risk of the aggregation of estates in the future, even in the remote future?—I do not think there would be much danger of that. The tendency is the other way. Every day the papers tell us of estates of suitable areas for sale. Let the money be handed over to the Government and let them acquire other estates with it. Although the land is acquired by those who take it up it is still there. A man is a fixture. He is still subject to the land-tax and such like, and might contribute as much in that way as he did before.

#### WILLIAM JOHNSTON examined.

252. *The Chairman.*] What are you, Mr. Johnston?—A freehold farmer at Waikaka Valley.

253. How many acres have you?—600 acres.

254. How long have you been on the farm?—About eighteen years.

255. You are engaged in mixed farming?—Yes.

256. Have you any leasehold?—No.

257. How did you acquire your land?—I took up a deferred-payment section of 200 acres about twenty-eight years ago. It was not part of the 600 acres. At first I went about shearing and doing fencing or other work until I could improve my land. It was a very easy way of acquiring land.

258. And then you sold out?—I exchanged for the section I am now living on, and afterwards I bought a section on the opposite side of the Waikaka Stream for £3 7s. an acre. It was the first sale on the Merino Downs Estate. That land was originally sold for £4 an acre to Mr. McIntyre.

259. Is there any particular point you wish to bring before the Commission?—I only came here because I think that farmers are backward in coming forward to meet the Commission. I wish to say that from my observations I have often seen land better looked after under freehold than under leasehold. I am of opinion that all private owners, as well as the Government, should grant the right of purchase to their tenants.

260. If I came along and said to you, "I will lease 200 acres of your land," would you be agreeable to inserting a purchasing clause in the agreement, whether you wanted to sell or not?—I would be willing to lease with a purchasing clause.

261. Is the leasehold land you speak of in the hands of the School Commissioners?—In the hands of the Commissioners, and other areas are held privately. I always think that if a tenant had the right of purchase he would do his best to keep the land in good heart, and thereby produce more out of the land than a man who would spoil it by allowing couch-grass or weeds to grow on it. I know farms that are valued at £3 an acre, but I would not care about taking them up at any money, because they are so foul with weeds. Weeds are very hard to kill in Southland, because of the moist climate. My remarks apply also to the land at Waikaka under the School Commissioners. If those men were compelled to destroy the noxious weeds on their land they would have to abandon it.



262. And under the freehold you think the weeds would not have been allowed to grow as they have grown?—I think the man's greater interest in the land would lead him to keep down the weeds better.

263. You think that under the leasehold a man gets into a condition of indifference?—Yes. I may say that I have also thought over the State settlement scheme, and I think it would be a good thing for the Government to advance fencing and other material to selectors at a cheaper rate than they can get it elsewhere.

264. There would be very little responsibility on the part of the settler, and a great deal on the part of the Government?—I understand that a tenant cannot take up land now unless he is worth so-much. I would not advance him implements, but I would advance him ring-fencing and other permanent improvements. I would provide the material and let the man do the work straight off. In Canada, I believe, a certain area of land is allowed, and material is given, as well as other facilities, at a cheap rate. I am not in favour of a man, after putting on certain improvements, trying to mortgage his place straight away. The less mortgage he has the better; but to help a poor man the Government might put up a substantial ring-fence, the man to pay rent accordingly to meet the interest and expenditure.

265. *Mr. Johnston.*] Could you get more money now than you put into the land?—I would get a little more for the deferred payment than I paid for it, but not for the other land.

266. I suppose farming pays well?—Not unless you work hard and look well after the business.

267. Do you get anything out of coal?—No.

268. Do any of the farmers?—Some of them do, but it is sold so cheaply that not much is made out of it. You can get as much as you like at 5s. a ton.

269. Was there any reason for selling?—It was an agreement between the parties. I agreed to do so before I bought the place.

270. Then, it was not done for speculation?—No. I was sure I could make as much out of the land as would pay the interest on the money in it. I was quite satisfied with the transaction.

271. If you could get land that would carry two sheep to the acre all the year round without artificial feeding, what would you be prepared to give for it?—I know of no land about here that will carry two sheep to the acre all the year round without artificial feeding—not even the Mataura Flats. On my 600 acres I run from six to seven hundred sheep all the year round, and I have about 70 acres in turnips in the winter.

272. Are you or have you been a member of any public body?—I have been a member of the Farmers' Union.

273. Are you representing the Farmers' Union now?—There is no union now.

274. Have you anything to say in regard to any of the subjects dealt with by our Commission?—In regard to the ballot system, I may say that I think men who have been unsuccessful in a ballot should have a preference over those who have not applied previously at the next ballot. My experience in regard to large estates is that all who have gone in for large estates in this district have always lost their money. I know one property that was mortgaged for £4 an acre and resold of late years at 15s., and I know of another mortgaged for £6,000 and offered for sale last winter for £4,000.

275. *Mr. Paul.*] Is it to the interest of a leaseholder to get the most out of his holding?—Yes; I would think so.

276. Then, so far as productiveness is concerned, the State loses nothing by having the leasehold?—It will depend altogether on the tenant. He may take more than he should out of his leasehold and leave his land poorer and depreciated in value.

277. A good farmer would not be a good farmer simply because he held a leasehold?—He should not be.

278. In regard to the Government giving the tenants all the improvements you suggest, what length of lease would you give under those conditions?—I would give the usual length of lease.

279. For 999 years?—Yes. That would be best for a man starting, and I should let him pay interest on the improvements that the State had provided.

280. Would it not be a fair thing to pay interest and sinking fund as well?—Yes. I would not care to be a tenant on land all my days, and the Government, as agents, collecting rent from me and sending it Home to the money-lender. I think this drain of interest every year is ruining the colony.

ALEXANDER McLAUCHLAN examined.

281. *The Chairman.*] What are you?—I am a threshing-mill owner, and I have been in that line of business for the last nine or ten years. I hold a small freehold section of 8 acres in the Otama Township, where I have lived for the past seventeen years.

282. What do you wish to bring before the Commission?—I do not think the evidence I have to bring before the Commission is very valuable, but I take up this position: I object to the Government disposing of their Crown lands, because I am a small settler with a large family, and if the Government give these tenants the right to acquire the freehold I want to know where posterity is going to get any leasehold from. I am in favour of the leasehold.

283. What is your favourite tenure under the leasehold?—I suppose it is immaterial, but I consider the 999-years leased lands are just as bad as freehold. I should certainly object to the 999-years lease.

284. Perhaps you would have a chance if there was periodical revaluation?—Yes; but I should object to the 999-years lease without periodical revaluation. Of course, it is all nonsense for people to say that there is no aggregation of estates going on. In Otama, I think, at the present time there are only two of the original selectors left. With the exception of these two, every farmer has added to his holding by purchasing out his neighbour.

285. What is the size of the farms now?—They were 200 acres in the first place, but most of them are now holding from 400 up to 600 acres.

286. What do the farmers do with their land?—Mixed farming. It is good land, and it has gone up considerably in value. When I came here seventeen years ago one place sold for £6, a few years afterwards for £6 10s., four or five years ago at £8 5s., and last year the man was asked to put it under offer at £12 and he refused to do so. That is not an exceptional case.

287. 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 the 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 Lyttelton, down here, agitating for land-nationalisation; and the Farmers' Union, for political purposes, impressed them with the idea that the Government intended to take the freehold. When I explained that the agitation only referred to Crown lands many of them expressed the opinion that the leasehold was very fair, and admitted that they had been under a wrong impression.

288. *Mr. Johnston.*] How many bushels of oats do they thresh as a rule?—It varies considerably. I threshed 110 bushels to the acre on one farm, and over 100 on four other farms, but that was an exceptionally good year. A fair average is 40 or 50 bushels.

289. And what of wheat?—Wheat is only grown on the choice spots, and very often we get as big a yield of wheat as of oats.

290. *Mr. Paul.*] In the event of the Government giving the tenants the option of the freehold, do you think there is any danger of the best land being taken and the inferior land being left in the hands of the State?—I should say there was a danger.

291. I understand you are opposed to the State granting the option of the freehold?—Certainly.

292. *Mr. McCutchan.*] Do you think the present limits of area fixed by the land laws of the colony are about right?—I should reduce them if possible.

293. What do you understand by the limits?—640 acres of first-class land and 2,000 acres of second-class land. I think the farmers who took up the original selections at Otama must have done well before they could extend their farms, and they have crushed out their neighbours.

294. Is your idea that a man should be limited to a holding that will provide him with a bare living?—No.

295. Do you think 640 acres of first-class land too much for a man with a family, if he wants to bring his family up properly and give them professions?—Yes, I do. I think any man on the land about Kaiapoi and Christchurch that is worth £40 to £50 per acre could do very well and bring up a large family on much less land.

296. Are you acquainted with the circumstances of the North Island, and what is classed as first-class land there?—I have been in the North Island on a visit, but I cannot speak in regard to it.

297. Your references now are purely local?—I am speaking about Kaiapoi and land about Christchurch.

298. You speak of land having increased in value in the Otama district from £6 to £12 per acre: over what interval did that take place?—Over a period of about seventeen years.

299. Was not that increase largely due to the improvements put on the land by the settlers?—No. Certainly the last farmer has improved it considerably; but I know a neighbouring farm sold very well three years ago, and the owner told me he refused £12 per acre for it lately, and he has done practically nothing to it.

300. And you think the increase in value belongs to the State, and not to the landholder?—Certainly.

301. For what reason?—It must be the people who created it.

302. How have the people done it?—I think it cannot be the people in the Otama; it must be the people in Gore or New Zealand.

303. Is not the intrinsic value of the land due to the price of our products?—Yes.

304. And what governs the price of our products?—Supply and demand, I suppose.

305. Where?—In the markets of the world. I do not suppose all that is consumed in Gore would make much difference.

306. If a wall was put around New Zealand, and our products were not allowed to go outside it, what would their value be in a few months' time?—They would fall in value, I suppose, if we could not get any outlet for them.

307. Therefore it is the markets outside the colony that govern the price of our products?—Yes.

308. And therefore it is the people outside the colony who govern the value of land?—Not altogether.

309. That is the natural deduction from your line of argument?—Yes. Of course, the seasons may have had a little to do with the rise in the value of these lands lately. No doubt, a lot of Canterbury farmers are now coming down here to buy land and settle.

310. Simply because we are getting a good price for our products beyond the confines of the colony?—I do not know that it is altogether that. I think Southland is being advertised better.

311. For the reason that a fair return can be got from the land, owing to the price given for our products outside the colony; and, following your argument to its finish, any increase in the value of the land does not belong to the State here, but to the people in other countries who take our products; and you reach absurdity when you reach that stage, do you not?—Naturally you would think so.

312. *Mr. Forbes.*] Some of the members of the Commission seem to fear that the seeds of noxious weeds, such as ragwort and Californian thistle, are apt to reach the North Island in Southland seed: do you think that is likely to happen?—There is a great tendency in that direction. Of course, we dress the seed very roughly with the mills, and it is redressed in the stores. I understand that under the Noxious Weeds Act you dare not sell the seed unless it is redressed.

313. At the time the seed is cut is there any danger of the ragwort or thistle spreading then?—I think so, so far as crops are concerned, but not much in regard to grass.

314. They are very likely to be spread through chaff?—Yes.

315. *Mr. Anstey.*] In referring to the limitation of area you suggested that 640 acres of first-class land was too much, and you spoke of land at Kaiapoi being worth £40 per acre?—Yes.

316. You are aware, I suppose, that there is a good deal of first-class land valued at only £7 to £8 per acre?—I was not aware of it.

317. Do you not think it would be much better if the limitation was fixed not by area, but by value?—I would favour that.

JOHN MACGIBBON examined.

318. *The Chairman.*] What are you?—I am a merchant, and I have been in this district all my life. I hold a freehold farm of 200 acres close to Gore. It was originally a deferred-payment section, but it fell into my hands in liquidation of a debt.

319. What is your idea in regard to the constitution of Land Boards?—I have never bothered much about the question.

320. What is your opinion in regard to the freehold and leasehold tenures?—My opinion has always been that the leasehold is generally best for the colony.

321. Any particular tenure of lease?—The 999-years lease is right enough. The only objection I have to it is that there is no revaluation.

322. You would not favour giving the option of the freehold?—No.

323. I dare say you know something about the Advances to Settlers Office?—I think it has done a lot of good to a lot of farmers. There has been a good deal said about men not getting advances on leaseholds. I know leasehold farmers who have come to me without a cent, and they have asked me to give them what they required, and, knowing the men, I have done so, and I have always come out right.

324. *Mr. Johnston.*] Since the Otama property was cut up, have any of the settlers been accumulating farms?—Since the Government relieved the settlers here who had bought sections of McNab's estate on deferred payment and paid too much for them at auction, and gave them the right to capitalise and acquire the freehold, one man, I believe, has bought out five or six of his neighbours. He now holds properties that five or six families were on before. Of course, he is a good man, but the other men were good also. He offered them a tempting price, and they sold and went somewhere else.

325. Did these men who sold out get more out of the land than they put into it?—Some of the land was valued at £2 per acre, and I know that some sold at £8 per acre.

326. And they did not put six pounds' worth of improvements in?—No.

327. Did they put two pounds' worth in?—I suppose they did that.

328. Generally speaking, have the men who took up land about Gore thirty years ago been successful?—Yes. We have some first-class farms in this district.

329. Both on deferred payment and freehold?—Yes, and on leasehold; they have done well on all systems.

330. Do you approve of the residential conditions on land?—I understand they are simply to keep dummies out.

331. At the present time any man in the town who wants to acquire land from the Government for his son must purchase freehold, because the residential qualifications prevent him taking it up under any other system: do you think it would be advisable to give facilities to a man in the town to make provision for acquiring land in order that he may have a property ready when his son is able to take it up and work it?—I think it would be running a risk to relax the residential conditions.

332. You have put a lot of grass-seed through your hands: have you known much Californian thistle to go through with it?—I cannot say I have. Of course, we are not allowed to sell the seed unless it is dressed, and the present machines pretty well clean the stuff. A chance seed may go through, but I have never had any complaints.

333. Can you give us any reason why the land in Southland has got so dirty in the last thirty years?—I do not know where it came from, but I first saw it close to Invercargill.

ANDREW AITKEN examined.

334. *The Chairman.*] What are you?—I am a farmer, and have 200 acres of freehold and 100 acres of leasehold. The leasehold is held from a private party. My farm is close to the Town of Gore and adjoins the Gore Domain. I have heard the evidence given by the witnesses this afternoon, and I do not think I can bring forward anything new. I may say, however, that I am in favour of the leasehold in preference to the freehold. I think that if everybody had a leasehold it would be easier for every one. I believe in the Crown being the landlord. If we all paid rent to the Crown our taxes would be less. I believe in the Government acquiring estates and cutting them up—that is, if they get the land at a reasonable figure. I think the Government has paid too much for the land taken up in Otago—that is, south of Oamaru.

335. Do you think they paid too much for Edendale?—I think so. The land, of course, is only worth what you can take out of it. If this had been wheat-growing country it would have been very different. I think any one growing wheat is all right with 5 per cent. on the purchase-money. Farmers are harassed by Inspectors in connection with ragwort, Californian thistle, and rabbits, and you have to do a lot to satisfy the Inspectors. If an Inspector is very exacting he may sometimes practically put a man out of his holding.

336. Still, you approve of the Government attempting to keep down noxious weeds?—Certainly, and I myself have no fault to find with the Inspectors.

337. We are told that ragwort can be kept down if you have a few sheep on it?—I am, unfortunately, a dairyman. I have a few sheep and they keep the ragwort down fairly well in some places, but there are rough gullies that are not cultivated. I may say, however, that I have never found ragwort do me any harm. I generally get a very good crop after ragwort. I think that the land in the neighbourhood of Gore has increased in value owing to the proximity of the town and the unearned increment, but the land in the back country in some places, even with the improvements, is not now worth as much as when it was taken up.

338. Is that due to its distance from the centre or to the poverty of the land?—To both.

339. *Mr. Anstey.*] With regard to ragwort, you said that the crop after the ragwort is often a good one?—Yes.

340. When you plough down the ragwort, does it come up with the first crop?—No; but it may appear after the land has been two years in grass.

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RIVERSDALE, TUESDAY, 7TH MARCH, 1905.

JOHN RODERICK HENDERSON examined.

1. *The Chairman.*] What are you?—I am a farmer in the Wendon Valley. I have 140 acres, but I work with my father who has 500 acres. My land is held under lease from the School Commissioners. My father has 276 acres leased from the School Commissioners, and the remainder of his land is freehold. We have been in that district eighteen years. I pay a rent of 10d. an acre to the School Commissioners, and my father pays 8d. an acre. The freehold land was £1 10s. an acre, cash, eighteen years ago. We think that the price is too high and that the land is hardly worth that sum now. A neighbour got his land for £1 an acre. His land is of better quality, is more level, and is nearer the market. I think the School Commissioners ought to be done away with in the administration of this land. I may state that the School Commissioners reduced the charge to £1 5s., but they will not make any further reduction. We are paying £12 interest on the land, but £120 was paid as a deposit. They gave us a reduction of 5s. about two years ago. We are paying interest on the balance, and the interest comes to about £12 a year.

2. On what tenure do you want to take up the land?—We would be willing to lease it with a purchasing clause.

3. You are aware that under the lease in perpetuity there is not a purchasing clause?—I think there ought to be. Under our present tenure we cannot get as much money advanced as we would like from the Advances to Settlers Office. They will only give us what the Commissioners are prepared to give, and we will not accept an advance on such terms. We run sheep on the farm, and also grow oats to sell. The ground near there produces from 25 to 30 bushels, unless you put ten shillings' worth of manure to the acre, and then you may get 40 bushels.

4. *Mr. McCurdle.*] If the Act were amended so that the Advances to Settlers Office could advance to the extent of three-fifths of the value of the interest of the leaseholder, do you think that would be sufficient to meet the requirements of the settlers?—Yes.

5. You say you want the right to acquire the freehold?—Yes.

6. Suppose the Government were to remove the restrictions and treat the settlers more liberally in the matter of advances, do you not think that would meet the case of the settlers equally as well?—Yes.

7. *Mr. McLennan.*] How many sheep do you run to the acre?—We have only 220 sheep just now on the 600 acres.

8. You cannot run more?—No.

9. What ground do you crop?—Generally, 60 to 70 acres. The ground will not carry more sheep. It seems to get burnt up in the summer-time, and the rough ground will not hold the grass.

10. Do you grow any turnips?—Yes, and they do fairly well.

11. Have you tried drilling and then thinning them?—Yes. They do well, and the ground is cleaner after.

12. *Mr. Forbes.*] We have had other evidence to the effect that the tenants are not satisfied with their leases from the School Commissioners—they say they ought to get more compensation at the end of the term?—Yes; supposing we were to sow grass six months before our lease was out we would get nothing for it. The next tenant would get the benefit. It is provided that a certain proportion is to be left in grass, but it does not say what age the grass must be. They do not give us fair valuation for even the fences or grass.

13. You have to accept the valuation of the valuer for the School Commissioners?—Yes.

14. Can you not dispute his valuation?—Yes. Sometimes they may give a little more, but not very often.

15. You have only a twenty-one-years lease, and it then goes up to auction?—Yes, the lease is too short.

16. If you put up a good house would you get fair valuation for it?—If the School Commissioners got any one to take up the lease they might give us fair valuation, but otherwise they cut down the valuation until some one makes it worth while to take up the lease.

17. *Mr. Anstey.*] In regard to the valuation, would it not be better to submit it to arbitration, the School Commissioners appointing one valuator and you the other?—I think that would be better than the present arrangement.

18. What claim have you now for asking for a further reduction of the £1 5s.?—Simply because the land is not worth the present amount it is valued at.

19. Have you tried to get an alteration of your lease into a lease in perpetuity?—They have not the power to make the change.

20. Would you be satisfied with the lease in perpetuity in exchange for your present lease?—I think it would be better as long as we could raise the necessary money on it. I have offered the land back to the School Commissioners at the price we paid for it, but they replied that they could not agree to that.

SAMUEL GEORGE INDER examined.

21. *The Chairman.*] What are you?—I am a butcher and livery-stable keeper residing at Gore. I have been in the colony forty-four years, principally at Naseby.

22. I understand you have had considerable experience with pastoral runs, and you might just state what you think would be useful information to the Commission in regard to the settlement of this pastoral country, of which there are still some 9,000,000 acres in Southland, Otago, and Canterbury?—My own opinion, so far as the Maniototo County is concerned, is that the high country left should be utilised by the people who are freeholders on the low country as small grazing-runs, and so forth. I think they could work the high country to better advantage than anybody who has no low country to work from.

23. What areas would you say the small runs should be cut into?—I should say that the high country at Maniototo should be cut into small grazing-runs of not less than 10,000 acres. It is very high and practically only summer country, but I think it could be greatly improved by surface-sowing.

24. Do you know anybody who has ever tried that?—I did a bit myself when I was there, for about eight years and a half on the low ridges, and the country was greatly improved. I just burnt off the Matagowrie scrub and harrowed it with a big tine-harrow, and surface-sowed with cocksfoot principally. Before that, the block I had used to carry six hundred ewes over the winter, and I afterwards put a thousand ewes upon it. I had 1,000 acres in the block on the Maniototo Farm, down in the Hogburn Creek. That is good land, and although it is ridgy it is all ploughable, and the ridge at the back is volcanic. Eight years afterwards the cocksfoot seemed to be better than it was the first year or two after sowing. I left there about eleven years ago.

25. How are the small grazing-runs doing there?—So far as I know, they have all done fairly well out of them.

26. Does not the level country about Maniototo do very well for cropping if you can only get water on it?—Yes. Even on the Maniototo Farm I myself grew 40 bushels of wheat one year, and in the following year there was nothing to cut owing to the drought.

27. The Maniototo Farm was not much of a success, financially speaking?—No; the company lost a lot of money.

28. Would you attribute that to the want of good management?—No. More to the dry seasons. The land is good enough if it only gets rain.

29. I remember Mr. Grear, at the Sowburn, brought in a little stream of water, and soaked the hard surface for a week after he sowed it, and I have never seen better oats, wheat, or barley than he grew: do you remember that?—Yes. His sons are carrying on yet, and they still irrigate the place.

30. Of course, you know that the land will run out with continual irrigation?—I do not think so. In his case the land has improved if anything. He also irrigated on the ridges, and the first year he had a splendid crop.

31. Have you any definite ideas about land-tenures?—The general feeling amongst most of the settlers that I came in contact with there was that they would like to make their holdings freehold. I think the perpetual leases contained a clause giving the right to purchase.

32. You think all the agricultural and perpetual-lease holders had as their goal the freehold?—That is so.

33. *Mr. Hall.*] How much of the 1,000 acres did you surface-sow with English grasses?—About 360 to 400 acres on the ridges.

34. And that increased the sheep-carrying capacity from six hundred to a thousand ewes?—I will not say the property could not have carried more before I surface-sowed, but I used to winter three hundred on it, and before I left I wintered a thousand—that is, from the time the ewes were put to the rams until cutting-and-tailing time. This surface-sowing was done on the low ridges between the mountains and the flats.

35. And you think most of the low country would be improved in same way?—I think most of the low hills could be improved by surface-sowing. Of course, it would make a vast difference if a runholder got a good season for the grass to strike.

36. Did you sow fescue grasses?—No.

37. *Mr. Anstey.*] Did you ever try any of the higher country for surface-sowing?—No.

38. Has any one up there ever tried it?—Not that I know of.

39. Do you think it would be any use going further up to the snow-line for surface-sowing?—I do not see why it should not be successful.

40. You think it is quite possible to improve the country by surface-sowing right up to the snow-line?—Yes.

41. I suppose before anybody would go to that trouble and expense they would require a fairly long lease, or valuation at the end of their lease?—Yes. In fact, I think most of that country would be better suited for long leases to the people on the flat, because fencing on the high country would be a great improvement.

42. You mean that if the country was fenced portions of it could be spelled alternately?—Yes. A lot of the country is good for sheep for a certain number of months in the year, but the risk is that if they are left out longer they may get above the snow-line and be blocked. The country therefore requires to be fenced below the snow-line.

43. Do the people who take up this country possess means for surface-sowing, or do they require help, such as the Government supplying them with first-class seed at a very low rate?—I think they would be more satisfied with a good tenure than help of that kind. If they had the

lower ground they could grow their own seed, and the fact of removing the sheep from the grass paddocks to the higher country would in itself tend to spread the seed to a certain extent.

44. Then, a substantial tenure is better than spoon-feeding?—I think so.

45. *Mr. Johnston.*] Into what area do you think the flat and the broken land at Maniototo should be cut?—So far as Maniototo land is concerned, I would not alter what I said to the Land Board twenty years ago. I think it is better to cut Maniototo up into blocks of 500 to 1,000 acres on the flat, with blocks of 5,000 to 10,000 acres on the hills. They could grow winter feed on the flats and spell the low country in the summer, when the hill country could be utilised.

46. Would it be possible to surface-sow up the sides of Mount Ida?—Parts of it, such as Woodney's Hill, but not the Rock and Pillar.

47. What about Nokomai and about there?—Up to a certain distance you might surface-sow with advantage; but there is a lot of land that is very broken, and you would have very little chance of getting the seed to take. You could not get the seed to take unless you could get a harrow over the surface.

48. Would there be any advantage in sowing the high country at the back of St. Bathans?—I do not think so.

49. What is the country like in the Upper Taieri Valley?—There is a big block of flat land up there which I think would grow oats and grass. I think this flat would be better cut up into fair-sized blocks to go with the high country.

50. Is the land in this district more valuable now than it was when you came here?—Yes; considerably.

51. Is the land sufficiently divided and cut up?—I think between here and Edendale it is. It is already in suitable areas.

52. Are any of the farmers increasing their holdings?—In very few instances. Of course, their desire is to increase their holdings where they can, but there is no land for them to do so unless they buy out their neighbours. I should say the average size of the farms between here and Gore would be about 300 acres.

53. What is your opinion about the ragwort and Californian thistle?—The ragwort has been greatly on the increase during the last three years. There is very little thistle on the agricultural land in the Gore district.

54. Do you think the growth of these weeds depreciates the value of the land?—Certainly. The farmers are finding that out now.

55. What about the rabbits?—They are considerably on the decrease.

56. *Mr. Hall.*] Are these noxious weeds spreading on the high unimproved country?—I think the Californian thistle is spreading more on the hill country than on the agricultural country.

57. Has it been introduced by sowing grass, or by other means?—That I cannot say.

58. Would it be well that the Government should either supply grass-seed or that Government experts should pass the seed that is to be sown on the high country, as a safeguard against the introduction of noxious weeds on the higher ground?—I really think it would be a good thing. There is a carelessness on the part of farmers with regard to their seeds.

59. *Mr. McLennan.*] Did you harrow the ground before you sowed your seed, or afterwards?—I sowed the grass-seed and then harrowed with a heavy tine-harrow that covered about 8 ft. of country. You must use a heavy harrow to get a grip on the ground. My experience was that the cocksfoot improved as the years went on.

60. *Mr. Johnston.*] I believe you have had some experience of mining: do you think it is better to use auriferous lands for mining or to keep them for grazing purposes?—I think they should be used for mining. With the exception of the Waikaka Valley, where the land is good agricultural land, the land is not worth keeping for grazing or cropping. At Waikaka I have seen where they have been experimenting with tree-planting and grass-sowing on the tailings, and the grass has come on wonderfully well on land that has been dredged first. There is a piece of land in the Chatton district that has been dredged, and driving along the road I could hardly tell that the bottom part had been dredged. The grass is coming away well, and there is a good sole on it.

61. *Mr. Anstey.*] You think if the ground was left fairly level by the dredges they would not injure the land so very much?—No. In a few years' time it would become good grazing-ground.

#### ARCHIBALD STEWART examined.

62. *The Chairman.*] What are you?—I am a farmer. I desire first to read the following resolution, passed at a meeting held at Wendon:—

“The following tenants of the School Commissioners, at a meeting held on 2nd March at Wendon, resolved that they wish to have their leases altered to lease in perpetuity:—

“ Archibald Stewart,	A. W. Robertson,
“ Joseph Cooper,	Walter Miller,
“ William Walker,	John Stewart,
“ Thomas Newell,	A. Alexander,
“ James Anderson,	George Tayles.”

Other tenants of the School Commissioners would also have signed the resolution, but their leases will shortly expire, and they therefore decided not to sign. My brother and I have two farms, which we work together under the name of Stewart Brothers. We hold 320 acres under perpetual lease. We have held this land for six years, and we have held 161 acres for about three years. We bought the latter property from a private individual. The lease from the School Commissioners is for twenty-one years. All the persons signing the resolution hold land on a twenty-one-years lease. We wish to have a lease-in-perpetuity tenure. I am paying 3s. an acre for the 161 acres and 2s. 6d. for the other. I might say this: that by the time the twenty-one years is

up a man has usually got his farm into fairly good working-order, and then there is a revaluation, and he may have to clear out. The lease in perpetuity would obviate that. The lease in perpetuity would suit me much better, and it would also suit many others much better.

63. Do you grow turnips?—Yes. Southland is fast becoming a sheep and turnip country.

64. You do not think the rents are excessive?—According to the quality of the land, I think they are quite enough in view of the increasing taxation. We are having very good times now, but we might not always have them.

65. *Mr. McLennan.*] What number of sheep do you keep to the acre?—350 sheep to about 480 acres. My land is not first-class land.

66. *Mr. Paul.*] Your grievance is the short lease?—Yes.

67. This land has been set aside for an endowment?—Yes.

68. If it is let for 999 years there will never be any increase in that time in the revenue from this land for education purposes?—No; but it is intended to increase the rents.

69. How would you view a fifty-years lease?—I would be satisfied with that if I could not get the lease in perpetuity.

70. *Mr. Hall.*] Are the School Commissioners empowered to grant long leases?—No.

71. *Mr. Forbes.*] It would be a concession if the Government gave you the option of renewal for another twenty-one years at a valuation—that would be better than putting it up to auction?—I think that would be a very good plan.

72. *Mr. Anstey.*] Supposing your valuation was fixed by arbitrators—you appointed one and the School Commissioners another—would that be satisfactory?—I think so.

73. Would it be fair that the rent should be fixed in the same way?—I think so.

74. Do you think it would be better if the land were administered by the Land Board?—Yes, if we were put on the same footing as Crown tenants.

75. *Mr. Johnston.*] Are Californian thistle and ragwort increasing?—Ragwort is decreasing, and Californian thistle is not increasing to any great extent. We cut it down twice a year. As long as you cut the thistle under the ground it will always go back, but you cannot do that in rough country. As to ragwort, you cannot beat it for sheep-feed. Sheep will always keep it down. It is a pity that we have not ragwort in place of fern and tutu. Ragwort is splendid sheep-feed, but for a dairy farm it is quite the opposite.

76. Does not ragwort affect the livers of the sheep?—I have five or six hundred sheep living on ragwort country, and if you like I will catch one, kill it, and you can inspect it for yourselves. My opinion is that it does not affect sheep for butchers or for freezing purposes. I have sold sheep to the freezing-works and to butchers and have heard no complaints. On my farm I lose sheep from tutu, but never from ragwort.

77. *Mr. Hall.*] Do I understand you to say that sheep will thrive if fed chiefly on ragwort?—I cannot say I ever feed sheep chiefly on ragwort, but along with other grass it does not injuriously affect the sheep.

78. What is your experience in reference to surface-sowing in hilly country?—There is one hill on which I sowed cocksfoot alone, and I am perfectly satisfied that that hill will carry double the number of sheep. I do not say that all land will do the same. I simply burnt the tussock in the spring, and sowed the grass immediately it was burnt, and if you get a shower of rain afterwards to wash it in it will do well.

79. *Mr. Forbes.*] Do you not find that the sheep pull out the cocksfoot before it is established?—I have not noticed that. I have had the grass in for ten years, and it still holds. It is a sort of silvery tussock and rocky ground there. We sow it after the spring, and some white clover with it.

80. *Mr. Johnston.*] Suppose you had a paddock of, say, 200 acres, and you put a mob of sheep there directly after the grass was sown, would not that assist it?—Yes; but I am referring to fairly hilly country, and you can only burn in patches, and you have to sow it in patches.

81. *Mr. McCardle.*] Do you find that when grass is sown on the surface nothing more is required than a fair rainfall?—Yes; but you want to sow it fairly early in the spring.

82. Have you got any wild annis here?—Only on some regular precipice. Nothing can get at it. It is a pity we have not more annis instead of Canadian thistle.

83. Have you heard of danthonia—a native grass?—No.

84. It is used largely in the North to put on hard clay hills?—We have no clay here. It is mostly white sand.

85. *Mr. Hall.*] Does that method of improving hilly land apply to hilly land generally?—Certain grasses will suit certain land. I only refer to the land I have dealt with.

ALEXANDER MURDOCH examined.

86. *The Chairman.*] What are you?—I am a farmer, and I hold a little over 2,000 acres under freehold and leasehold. I have 569 acres of leasehold under the School Commissioners, for which I pay 6d. per acre. I have held it two years, and I use the whole property mostly for agricultural purposes.

87. The Commission will be very glad to hear what you have to bring before them?—I may state that I am here as deputy for the settlers at Waipounamu—that is, Lower Wyndhamside. We held a meeting for the purpose of considering the desirability of meeting the Land Commission. Of course, we are all under the School Commissioners, and while we are well pleased with the Commissioners as landlords we are not so well pleased with our tenure. Our leases are for twenty-one years. We get valuation under the old leases for buildings and fencing, and we have to leave two-thirds of the land in grass at the end of the term. We get no valuation for any improvements other than buildings and fences. Of course, there is not very much encouragement for putting up these improvements or for good husbandry. What we decided upon at the meeting was this—I have not the resolution with me, but I remember it quite well: that our lands should be administered by the Waste Lands Board instead of by the School Commissioners,



and that we should get the right to convert our present leases into leases in perpetuity. I think that is the sum and substance of the meeting and what I was delegated to say. The greatest grievance of the present settlers is that they have all been trying to make homes for themselves, and then at the end of the leases there is no value put on any of the improvements such as we all like to make during the tenure of our lease, and if any man comes and outbids us by 1d. per acre more at the end of the term he gets the benefit of all our improvements. We were quite unanimous in asking that the land should be administered as I have stated.

88. We have had the same thing represented to us by several other tenants who generally desired to come under the lease in perpetuity: of course, you are quite aware that under the terms of the lease in perpetuity there is no right to acquire the freehold?—I understand that.

89. *Mr. McCardle.*] What is the value of your land in fee-simple?—10s. per acre. My rental is 5 per cent. on the capital value.

90. You think the interests of the country would be conserved by giving the settlers under these leases the same tenure as other tenants under the Government?—I do.

91. Then, you do not think that the purpose for which these lands were set apart would suffer?—I do not think so.

92. Are these lands well looked after by the tenants?—Fairly well; but I think they would be much better looked after if the tenants had a greater interest in them.

93. You think there is no encouragement for a settler to improve up to the end of his lease?—By no means under the present tenure.

94. You recognise that the improvements placed on the land belong to you, and not to the Commissioners?—Certainly.

95. Have you had any experience with the working of the Advances to Settlers Department?—No.

96. *Mr. McLennan.*] It seems to me you are quite satisfied with the lease in perpetuity?—Yes.

97. Have you any knowledge of any of the large estates that have been taken for close settlement under the Land for Settlements Act?—Yes, a good many of them.

98. Can you tell us if they have been successful?—Yes. I am familiar with Tokarahi, Maerewhenua, Ardgowan, Elderslie, and Waikakahi, and they have all been successful.

99. As a farmer with long experience, do you think that many of those who took up these leases would have been able to take them up or to settle on the land if they had had to purchase their sections?—I do not think one-half would ever have occupied an acre of land if they had had to take it under the freehold.

100. And you think that at the present time they are in a fair flourishing condition?—Particularly so, as farmers they are.

101. Are you aware of the goodwill of any of these allotments having been sold?—Yes. I know a good many of them.

102. Can you tell us of a few, and what was received for the goodwill?—I know of several, but I can only recall one or two instances now. The goodwill of one section immediately adjoining Duntroon, of about 180 acres, was sold for £800. Another section was sold down about Morton's Siding, but I forget the amount it was sold for. It was a very big sum. I know another man who refused £1,200 for the goodwill of his lease, and I know many others who have sold the goodwill of their leases for what we at one time probably thought was the value of the land.

103. You think they have no difficulty in North Otago of selling their goodwill at a very handsome profit?—None whatever.

104. *Mr. Matheson.*] Do you think the State would be unwise to give these people the right to purchase if the State recouped itself for all expenditure?—I would not be in favour of the State giving them the right to purchase.

105. *Mr. McCutchan.*] Would you be in favour of a revaluation clause being inserted in leases being issued in the future with a view to increasing or decreasing the rent as the land increased or decreased in value?—I do not know that there would be anything unfair in that so long as the periods were not too short. It would be all right if they were for, say, fifty years.

106. *Mr. Paul.*] Would you favour giving the freehold to tenants on these educational endowments?—No.

107. But you are quite satisfied that in giving the lease in perpetuity the interests of these endowments are conserved?—Yes.

108. And you think it would tend to promote a better class of settlement?—Yes.

109. *Mr. Hall.*] Do you think the tenants would pay more for a lease in perpetuity than for these short leases?—They might, because the tenures would be better thought of.

110. *Mr. Forbes.*] In the event of it being found impracticable to give a lease-in-perpetuity tenure, would not the option of renewal for another twenty-one years do?—Yes.

111. *Mr. Anstey.*] If they had that option of renewal at a rental to be fixed by two arbitrators, one to be appointed by the Board and one by the tenant, and valuation for improvements to be fixed also by arbitration, would that be satisfactory?—It would be better than the present, but I think the bigger portion of the settlers would prefer lease in perpetuity. Then we would have some idea of where we were.

112. You gave us a large number of instances of people selling out their goodwills for very large sums: do you know of any settlers on any of these estates who have abandoned their holdings?—I know of one on Tokarahi who never took up his section, but it has been taken up and successfully settled.

113. Do you know of any who went on any of these estates and then abandoned their sections?—No.

114. If any one told you that a large number of settlers had abandoned their holdings at Tokarahi or Waikakahi, do you think he would be telling the truth, or making a misstatement?—I think he would be making a misstatement.

115. I believe you have had some knowledge of private advances to settlers: do you think the Government under their present system can supply the daily needs of farmers as well as a private lender?—No. I think the State is hardly in a position to undertake such temporary banking. I have never known of any one having any trouble if they were fairly solvent.

115A. You do not know whether money-lenders consider the lease in perpetuity a bad security on which to lend temporary advances?—I do not think they do. I know a good deal of money has been advanced on lease in perpetuity.

116. *Mr. Johnston.*] Where were you farming before you came to this district?—I was twenty-six years in the Oamaru district.

117. Are the weeds that are here troublesome in Oamaru?—Some of them. The Californian thistle is, but I do not think the ragwort is very plentiful.

118. Do these particular weeds depreciate the value of the land?—There is no doubt that they do to a certain extent. The Californian thistle is certainly a bad weed, but those who have had most to do with it do not take so much notice of it as people who know nothing about it.

119. Why?—They have got used to it, and they do not think it is so very injurious after all. I happened to be travelling in the western district for about three weeks, and, although the thistle is a source of expense because it has to be cut down, the people do not look upon it as any great nuisance.

JAMES POLLOCK examined.

120. *The Chairman.*] What are you?—I am a farmer in the Lower Wendonside district, at Waipounamu. I farm 264 acres of my own and 554 in conjunction with my son-in-law, and 267 with my son. We hold it under a twenty-one-years lease from the Otago School Commissioners. On the 264 acres I pay 1s. 9d. per acre, on the 554 acres 3d. per acre, and on the 267 acres 1s. per acre. We have been farming these lands for about thirteen years.

121. Will you just state what you would like to bring before us?—I have not much to say, but I can confirm what Mr. Murdoch has said in regard to the wishes of the settlers in our district. They think their tenure is too short, and they would like the present leases converted into leases in perpetuity. My lease has only eight years to run, and really the farms are just beginning to come into practical use. The land was all tussock when we took it up. Another grievance is that we only get valuation for buildings and fencing. We get nothing for grass or tree-planting, or draining, or ditching. I have no objection to the Commissioners as landlords, because they are very good, but we object to the terms of the lease.

122. *Mr. McLennan.*] You believe in the lease in perpetuity?—Yes, in preference to the present leases, by a long way.

123. Do you believe in the lease in perpetuity under the Land for Settlements Act?—Yes, in our district. Of course, I am a believer in the right to purchase the freehold, but the quality of the land in our district is such that I think the lease in perpetuity is quite good enough.

124. *Mr. Matheson.*] Suppose the Crown could see their way to give a lease with the right of purchase, do you think that would still more encourage settlement?—No doubt the people as a whole like the freehold, but still in our district we are quite satisfied with the lease in perpetuity.

125. *Mr. Paul.*] How do you view the principle of revaluation in connection with future leases?—I would not believe in that at all. I will not be here in thirty years, but my children will, and revaluation might be the means of breaking up their homes or forcing them to pay a higher rent.

126. Do you think the State would suffer at all by giving a lease in perpetuity in respect to these endowments?—I do not think so, because the rent is going on the capital value, and the same revenue would be derived from the endowments.

127. Under the lease in perpetuity, do you think the land will be put to better use?—Yes; it will be to the advantage of the farmer to cultivate and improve his land if he has a long lease.

128. *Mr. Johnston.*] What is the carrying-capacity of your land?—The 264 acres in its natural state would only carry one sheep to 10 or 15 acres, but by farming and laying down in grass it might carry a sheep to 2 or 3 acres. The 267 acres is poorer land still.

129. When you complain about your twenty-one-years lease, you know that the improvements are allowed for in the rental fixed?—I do not think it. The section was put up to auction and no one else bid for it.

130. You gave 1s. an acre, knowing that you had to make these improvements for nothing, and I suppose you allowed for them?—Yes.

131. Would you be prepared to give an increased rent if you had these other privileges?—I would not be inclined to give much more, because the land will not carry stock to pay a much larger rental.

132. Then, you gave too much for the land?—In some instances, Yes; and in others, No.

133. *The Chairman.*] Of course, you are putting a good deal of store on the permanency of the lease?—Yes.

WILLIAM MORTIMER examined.

134. *The Chairman.*] What are you?—I am a farmer on the School Commissioners' land. I farm in conjunction with my father-in-law, the last witness, and I also hold 300 acres, for which I pay 3s. 6d. per acre rent. It is on a twenty-one-years lease. I held it first at a rental of 8s. and 6s. for the two sections, but a flood came, and, as I could not pay that rent, I surrendered. The land was put up by tender, and I was the only applicant for it at the upset price. I use the land principally for grazing.

135. I suppose you indorse all you have heard from Mr. Murdoch and Mr. Pollock?—Yes. My lease is out in four years, because when I surrendered the term was reduced to fourteen years, and I would like to make a home of it. I have put all my earnings in it and it will be very hard if I have to leave it.

136. *Mr. McCardle.*] What is the carrying-capacity of your land?—I am not sure what it would carry, because it is so often spoiled by flooding.

137. *Mr. Anstey.*] Have you good roads leading to your section?—Mostly.

138. Are there good roads all through the lands belonging to the Commissioners?—Yes, so far as I know.

139. How are these roads kept up?—By rates.

COLIN MACANDREW examined.

140. *The Chairman.*] You are Secretary to the Otago School Commissioners?—Yes. I have held that position for twenty-four years.

141. Can you give us particulars of the tenants and area of land under your jurisdiction?—We have 865 tenants and we administer 390,385 acres of land. Of that area 1,221 acres is under the administration of the Otago Land Board and 17,310 acres under the Southland Land Board.

142. How does any part of these lands come to be under the administration of the Land Boards?—It was brought under the Land Boards by an arrangement with the Government some years ago when the lands about here were cut up. The arrangement was that a third was to be offered for cash, a third on deferred payment, and a third under perpetual lease. A considerable portion of the area offered under the two last tenures was not taken up, and reverted back to the School Commissioners. At that time the perpetual leases carried the right to purchase the freehold, and, as a matter of fact, a number of them were converted into freeholds and a number into leases in perpetuity.

143. I understand that the right to purchase the freehold is not now given?—That is so.

144. What is the extent of your area in the district about Waikaia, Wendon, and Wendon-side?—About 48,694 acres of mixed land, mostly agricultural and rough land, and 123,741 acres of purely pastoral land in runs, making a total of 172,435 acres. I may say that this area is exclusive of what is held under the Land Boards.

145. We have heard from a great many of the tenants that they are quite satisfied with the Otago School Commissioners as landlords, but they are dissatisfied with their tenure, and what they say is this: When a tenant comes to the end of his lease he naturally ceases the general improvement of his farm, knowing that the greater he improves the more likely he is to be ousted by some one outbidding him. Their desire, of course, is to come under the ordinary administration of the Land Board, and to come under the lease in perpetuity, so as to secure a greater continuity of tenure. Another grievance is that they only get valuation for improvements consisting of houses and fencing, and not for grassing, ditching, or plantations. Do you confirm these statements?—Yes; but at the same time the Commissioners supply drain-tiles, where required, free at the nearest railway-station, but the tiles are not to be included in the valuation at the end of the lease. I might also say that the Commissioners have at present under consideration the question of allowing valuation for grassing and plantations. There would not be so much trouble so far as plantations are concerned, but at present there is some difference of opinion amongst the Commissioners in regard to grassing.

146. One or two tenants also expressed the opinion that the present system of valuing improvements is one-sided, because the Commissioners appoint their own officer and the tenants have no voice in the matter?—I think there is a misunderstanding there. In regard to agricultural lands, the lease provides that, in the event of a disagreement, the value of the improvements shall be fixed by arbitration, and the tenant has full voice in appointing his own arbitrator. In regard to runs, the Commissioners appoint their own valuer. As a matter of fact, we generally try to come to an arrangement with a tenant beforehand about the upset rent, but the tenant has no voice in fixing it.

147. *Mr. McCardle.*] Can you tell us the capital value of your endowments?—A return was prepared by the Valuation Department for presentation to Parliament, but I have not got the figures by me.

148. Can you say whether you receive 4 per cent. on the capital value in rents?—Yes; in fixing our upsets we base the rent at 5 per cent. on the capital value, and in a great many cases we get a great deal more, owing to the fact that there is considerable competition.

149. In your opinion, do you think that the trust would suffer in any way if you gave the tenants a more secure or longer tenure with valuation for improvements at the end of the term? Do you not think the properties would be very much better looked after if that were done, and that the rents would likely be higher?—Yes, I certainly think it would have a tendency to raise the value of the rents if we gave a longer term than fourteen or twenty-one years; but under the present law we are limited to twenty-one years. I might say that just now the School Commissioners are also considering the question of providing for a renewal of the leases without competition. Under the Public Bodies Powers Act, under which the Commissioners are working just now, I think we have power to do so, but we require to make it a condition in each lease before entering into it. The objection, however, to doing this is that in some cases the Commissioners might want to subdivide the land into smaller areas.

150. We have had a good deal of evidence in regard to the carrying-capacity of the land in this immediate neighbourhood, and apparently the subdivision of properties here would be of advantage to no one?—It would not. In my opinion, a great deal of the land up here should never have been taken out of runs.

151. *Mr. Matheson.*] Has it ever struck you, from a colonial point of view, that this large area of land could be more economically administered by the Land Board instead of having a duplicate system of administration?—I have no doubt it could be more economically used, but I do not think it would bring in anything like the income that it does now.

152. What would make the difference?—For one thing, the land would be opened up under the ballot system, and would be leased at 4 per cent. on the capital value. It would not be subject to competition at all, and would be tied up for 999 years if brought under the lease in perpetuity, whereas now we get the benefit of any improvement in value by the opening-up of a district.

153. But if they administered your land according to your regulations could it be more economically done from a colonial point of view?—Probably. Of course, it is a large estate and requires a good deal of management, both in the field and office.

154. *Mr. Paul.*] Have the Commissioners power to allow valuation for grassing without further legislation?—Yes.

155. What is the reason they have not given valuation for it?—Hitherto they have not thought it wise. They thought it would be better to simply stipulate that a certain portion should be laid down in grass at the end of the lease. I fancy they are frightened of being handicapped with the valuation. It is not a very easy matter to value grass.

156. How do you view the demand for the lease in perpetuity for these endowments?—In the interests of education I think it would be a mistake, because they would only get 4 per cent. on the capital value for 999 years, whereas they may get at present 10 per cent. or 15 per cent.

157. Do you think the tenants could be met by giving them the right of renewal of their present leases?—I think so.

158. *Mr. Anstey.*] You said the School Commissioners would probably get a larger revenue from this land than if it were administered by the Land Board?—I think so.

159. You consider the School Commissioners are more exacting than the Land Board?—I do not think they are exacting; they have made large reductions all over this district.

160. The tenants would have to pay more?—Yes. The School Commissioners try to get as much as they can.

161. You said that if this land were held under 999-years lease it would fetch higher rents than at present?—I said I thought they would be more popular than they are now. There is another point: if they were brought under the Land Board “thirds” and “fourths” would be taken off for roads. As it is now the whole of the rents go to the educational trust.

162. It means that if the lands were administered by the Land Board the tenants would have the “thirds” and “fourths” expended on roads?—Yes.

163. Can you give me any particular reason why the tenants should not be brought under the administration of the Land Board—that is, from the Commissioners’ point of view?—From the point of view of revenue—that is the only reason.

164. *Mr. Johnston.*] Is there any of the property that is not taken up?—There are a number of township sections in different places, such as in Lumsden, which are not taken up, and which are a source of great expense to us. I think it would be a good thing if we had the power to sell those sections.

165. As a rule, do the tenants keep the land clear?—We have pretty stringent rules in our leases, and we have recently appointed a Ranger to go round periodically and report on every holding and see that the conditions of the lease are carried out.

166. Generally speaking, the settlers are a good stamp of settler?—In a great many instances the tenants have also freeholds adjoining. More especially in the settled parts of the country.

167. When were the reductions made in the rents?—Four or five years ago. The rents were reduced on account of the bad times, and also when in the opinion of the Commissioners the tenants were paying too much for them. There has been a good deal of competition for the leases, and there is no doubt some of the tenants were paying more than they were worth.

168. Were times good or bad when these leases were put up?—They were not as good as they are now.

169. Do you not think it would be much fairer to put an upset price on these leases, the same as the Government do, and let them go by straight-out ballot?—It might be better for the tenants, but I do not think it would be so good for our trust. We would not get such a large revenue.

170. *The Chairman.*] What is the present annual revenue of the School Commissioners?—£13,564 2s. 9d. from all sources.

171. *Mr. Johnston.*] Where does this money go to?—To the Education Board, and it reduces their grant from the Government.

172. *The Chairman.*] What staff have you?—A Secretary, a Ranger, a clerk, and we have an agent at Invercargill at present. The Commissioners are only paid an allowance of 15s. a day and train-fares. The Commissioners are Mr. Barron (Chairman), Mr. Borrie, Mr. T. MacGibbon, Mr. W. Dallas, and the Hon. A. Baldey. The Otago and Southland Education Boards elect one member each and the rest are appointed by the Government. I may add that the revenue collected by the Otago Board only comes to £56 3s. 5d., and by the Southland Board £787 16s. In explanation of the very small amount of revenue derived from rents from such a large area of land, I may say that when the land was put up it was badly infested with rabbits, and we had great difficulty in getting tenants at all. Some of the rents are as low as 5d. per acre. That brings down the figures over the total area of the land very much. The rents run from £2 to 5d.

173. *Mr. Johnston.*] Suppose the leases were put up now, would you get higher rents?—I think we would for the runs, but I think the agricultural holdings are fetching their full value all round.

174. Would it not be better for the Government to take over all this land and allow the Education Department an income equivalent to what you get, and put the land straight into the hands of the Waste Lands Board?—It might be; I could not say.

JAMES KELLY examined.

175. *The Chairman.*] What are you?—I am a farmer in this district, and hold on freehold 622 acres. For a while I had a lease in perpetuity of 260 acres, but I sold my interest in it, but

not very advantageously. I have been farming about twenty-four years here. I am engaged principally in grazing. My land is about three miles from Riversdale.

176. Do you think the freehold is not so good as a lease?—Sometimes to the occupier it is not as good.

177. It is not so good if the freeholder is under a heavy mortgage?—That is so.

178. We have had evidence that the lease in perpetuity makes it more difficult for a man to run into debt?—My experience in this district is that a great many persons immediately about here bought their land at too high a price. It was put up to auction, and they paid a great deal more than it was worth. The consequence was that some of them had to surrender. I have known other cases where men have paid what I thought too high a price, and they consequently had to seek the assistance of the money-lender, and unfortunately a great many of them are under his thumb yet. Although I own a freehold I am of opinion that for the individual the lease in perpetuity is the better tenure. No doubt a freehold is very good for the mortgagee and for the man who has the money to purchase it straight out.

179. But the lease in perpetuity enables a man with moderate means to get a start that he otherwise would not be able to do?—Yes.

180. *Mr. McCardle.*] In your opinion, would money advanced under the Advances to Settlers Act have a fair security if it were advanced up to £3 out of £5 of the improvements and the settlers' interest in the holding?—Yes; I think so in this district.

181. In your opinion, it would in this district be a safe investment for the Crown to make on those properties?—I do not think there is any risk in advancing up to three-fifths.

182. *Mr. Paul.*] How do you view the proposal to give more discretionary power to the Land Boards?—I have not had a great deal to do with Land Boards; but while I held a lease in perpetuity I was very well treated.

183. Do you favour giving the option of the freehold to Crown tenants who have taken up lease-in-perpetuity sections?—Certainly not.

184. I take it that you think the State should conserve the freehold of education, Harbour Board, and Corporation endowments?—Yes.

185. *Mr. Anstey.*] Could you say whether when you sold out you received sufficient to recoup you for the money spent on improvements?—It was not sufficient, but I had bought a freehold and I was glad to get a neighbour to take up the lease.

COLIN MACANDREW further examined.

186. *The Chairman.*] I understand you can now give the Commission the figures in respect to the endowments for primary education?—The capital value of the endowments for primary education is £372,880; rent, £12,867 19s. 8d.; and the area 387,663 acres. Secondary education, 2,721 acres; present value, £21,454; rent, £696 3s. 1d. Those are the values furnished by the Valuation Department, and I fancy the values are arrived at by capitalising the rents.

ALEXANDER MURDOCH further examined.

187. *The Chairman.*] I understand you wish to make a further statement to the Commission?—Yes. I wish to draw attention to the fact that there are a lot of roads made up to the various homesteads of the settlers. These roads have cost a good deal of money—some of them having been made through swampy land—and after a few years their cost to the settler may not be very apparent to a visitor or valuer.

188. *Mr. McCutchan.*] You advocated a fifty-years valuation clause being inserted in the School Commissioners' leases?—I said it might not be very much out of the way. I am not in favour of revaluation at all under any circumstances. I think it is only right that the tenant should have the benefit.

189. *Mr. McCardle.*] You would like the expenditure on these roads to be included in the compensation—that is to say, the roads benefit the estate and assist in securing a higher rent to the trust?—Undoubtedly.

190. And you consider they ought to be included?—Yes. What we want is a lease in perpetuity, but if we cannot get that we certainly think that should be included.

191. *Mr. Anstey.*] If you cannot get the lease in perpetuity you would be better satisfied if there was arbitration with respect to improvements?—Yes; we want all improvements included.

JAMES POLLOCK further examined.

192. *The Chairman.*] Do you wish to make a further statement to the Commission?—Yes. I simply wish to point out that in the present leases there is nothing allowed for dams. If a settler puts up a building and a tank it is very doubtful whether anything will be allowed for it. I refer to a tank for water for the stock. There are many places on the Terrace where concrete tanks have been constructed for the purpose of catching water. These tanks enhance the value of the property, but under the terms of the lease no allowance is made for them.

WAIKAIKA, WEDNESDAY, 8TH MARCH, 1905.

COLIN ROBERTSON examined.

1. *The Chairman.*] What are you?—I have been about thirty-eight years in this district, and have been Chairman of the County Council. I have 550 acres of land held under all sorts of tenures. I hold a lease in perpetuity. I hold 320 acres freehold and 130 acres from the School Commissioners. I live about three miles and a half from Waikaika. My rent to the School Commissioners is 3s. an acre.

2. Will you tell the Commission what you wish to bring before them? What do you think of the constitution of the Land Boards?—I have had experience of the Land Boards both of Southland and Otago, and my personal opinion is that they are better as at present constituted than if they were elected. I think that any settler who does his duty and what is fair will not feel that he is unfairly treated by the Land Boards. I am perfectly satisfied with the present constitution of the Land Board.

3. Do you think that holding land under freehold or under leasehold is best for the colony?—There is no doubt we all like the freehold; but, personally, I think that the leasehold is better for the colony. I may here state that a block at Glenary, above Gow's Creek and next to the bush, was let under the deferred-payment system, but the whole of that land is now in the possession of one person. There were formerly five settlers there, and now the runholder has got the whole lot. At one time I was a very staunch leaseholder, until I had had some experience of the School Commissioners. I am not now so strong a leaseholder as I used to be. I have no fault to find with the lease in perpetuity. If I were in the position to buy the land I do not think I would do so. I certainly would not borrow the money to buy it and thus put myself in debt. I think the rent, 4 per cent., is very moderate.

4. Has the administration of the Education Commissioners been satisfactory?—I think the administration of the School Commissioners is nothing like the administration of the Land Board.

5. Not so good?—No. Neither is it so liberal or fair.

6. Of course, they are bound by Act within certain limits?—They are not bound enough, it seems to me. What they want to do they do. I may add that all along their administration has been opposed to settlement. We have got the land settled, but really it has been unsatisfactory, for it has only been by continual agitation that we have got any settlement, and even then there is no limitation as to area and there are no residence clauses. With respect to the last two blocks, Mr. MacAndrew and Mr. Barron waited on the Premier, and I may say that an agitation arose with reference to the letting of the land and limiting the area, and Mr. Seddon said that he would take the responsibility of limiting the area. A notice was inserted in the newspapers stating that the area would be limited. Of course, there was only "one man one block," but there was nothing to hinder one man getting dummies to take up the whole lot. But as it has turned out, the land is now settled. I think this auctioning of the land is a very bad system, because it frequently leads to the people bidding more for the land than what it is really worth. I notice that the Commissioners have asked for more powers in this respect, that is to enable them to allow a man to take up his section again without the land being put up to auction, and proper provision should also be made with respect to valuation for improvements. At present the valuation given for improvements is not satisfactory; no provision for improvements is made except for buildings and fencing. There is another thing: they put every obstacle in the way of people building, and permission for the erection of buildings has to be obtained from the School Commissioners. My opinion is that they try to put every obstacle in the way of people making their homes on the land.

7. What is your remedy?—I would let the Land Board deal with these lands. The whole of Waikaia, with a very small exception, is an educational endowment, and under the present arrangements there is no provision with respect to "thirds" as exists in the case of Crown lands. Some time ago the Commissioners were very generous, but they give nothing at all now in this way. Mr. MacAndrew and the Chairman some time ago promised Mr. Seddon in Dunedin that they would be more generous in future in connection with the roads, but that has not been the case. In other districts they get revenue from the goldfields for the purpose of maintaining the roads. There are a great number of dredges at work in this district. The School Commissioners get rent from these dredges, but nothing is paid towards the upkeep of the roads. They also get a royalty from the coal-pits. The Rakaia Riding is really penalised because the revenue from these endowments goes towards the education of the colony as a whole, and we get nothing in return in the shape of "thirds" to assist in maintaining our roads.

8. And included in the revenue is the goldfields revenue, the dredging leases, and the royalty on coal?—Yes.

9. There is no firewood license?—No.

10. There is a sawmill at Waikaia?—Yes.

11. That will be administered by the Land Board?—Yes. Another fault I have to find with the School Commissioners is this: Personally, I would be very much against them having the power of renewal of the leases without their being put up to auction. I think that, personally, I was penalised in respect of a lease which I held. The conditions of the lease are very unfair because the Commissioners can do whatever they like, and the lessee has no standing at all.

12. Do you think if the tenant does not approve of the valuation that it would be fair the case should go to arbitration?—Yes; I think that would be fair.

13. Nothing is allowed for the construction of dams, the provision of a water-supply, or for drainage?—That is so. I think, as to granting leases, that the present arrangement is too big a power to give to any body of responsible men. On the other hand, the Land Board is responsible to the Minister of Lands, who in turn is responsible to Parliament. But the School Commissioners are responsible to no one. The only thing is that the Minister of Lands can veto any act of the School Commissioners in respect to putting up their land. I believe that for years the School Commissioners have been putting up their land without submitting the question to the Minister at all; but a block of land was proposed to be put up last year and the Minister of Lands stopped it being disposed of in the way the School Commissioners proposed to do. I could mention many discrepancies in connection with the prices and the letting of land by the School Commissioners.

14. As we came along this morning by the road we noticed regular schools of rabbits in some places: this land is all under a Rabbit Inspector?—Yes.

15. With reference to dredging, it seems a pity to see good land turned over and heaped up in the way it is being done by the dredges: have you any views on that question?—No doubt it does seem a pity, but to any one working a freehold the returns they get from the dredging—for instance, when

you get 100 oz. a week it is very nice, and it is doubtful whether as much money could be got from the land in any other way.

16. Is there any other point you would like to bring before the Commission?—I think the land ought to be taken away from the administration of the School Commissioners. There is no doubt that these educational reserves have retarded the settlement of the district. The present tenure is not at all satisfactory.

17. *Mr. McCardle.*] You are decidedly of opinion that it would be better in the interests of the settlers and it would be no injury to the trust to place the administration of this land under the Land Board?—Undoubtedly it would be an advantage even to the trust.

18. Would you be satisfied with a twenty-one-years lease?—My idea is that it would be an advantage if we could get a longer lease or a 999-years lease.

19. I suppose you know something about the advances to settlers?—Yes.

20. You are aware that under that Act power is given to make advances to the extent of half the value of the improvements?—Yes.

21. It has been suggested that the law might be amended so as to enable an advance to be made up to three-fifths of the interest of the settler in the land?—Yes.

22. Do you think the State would run any risk in advancing up to that extent?—No, if you had the right class of settlers. I think also that the advances to settlers ought to be limited to £500. Any man who has property on which he can borrow £1,000 can go elsewhere for an additional amount.

23. Do you know something about the cropping conditions?—I think they are pretty stringent but perhaps it is necessary they should be so.

24. *Mr. Hall.*] Is it not the duty of the School Commissioners in the first place to conserve the revenue of these endowments, and secondly to consider the leaseholders?—Yes.

25. In that case would it be right to lock up these reserves for 999 years?—At one time, I understand, they were quite prepared to sell the whole of the endowments for cash.

26. Would you approve of that?—No. I took a very active step in stopping that, because we were afraid that the whole district would be retarded and there would be no settlement at all.

27. Would a longer lease with right of renewal at a valuation be satisfactory?—I think it would. My opinion is this: that the Land Board should administer these lands and let them at longer leases, say, for twenty-one years. My great objection is as to the administration—that there is no limit of area and no residence is required, and this has kept back the settlement of the district.

28. *Mr. Forbes.*] In the case of not getting the lease in perpetuity, would a twenty-one-years lease with the option of renewal for another twenty-one years with valuation for improvements—the rent to be revalued at the end of the term—would that be more satisfactory?—There are many blocks suited for small grazing-runs which might be let for twenty-one years with right of renewal. I think that would be conserving the interest of the trust and of the settlers as well.

29. *Mr. Paul.*] You are not satisfied with the valuation given for improvements?—I do not think there is a single settler that is satisfied with the valuation for improvements.

30. You think the valuation should be extended to grassing?—Yes. The Crown always grants valuation for grass.

31. *Mr. Anstey.*] You say you would exchange your present lease for a lease in perpetuity?—Yes, or for any better lease.

32. Would you have any objection to a lease in perpetuity with a revaluation clause?—I would oppose a revaluation clause.

33. I have been informed that there is a large area of land leased at  $\frac{1}{2}$ d. an acre. Supposing it had been let under lease in perpetuity at  $\frac{1}{2}$ d., I am informed that with proper management and if there were no rabbits it would be worth 3d. an acre?—Yes; I think it would.

34. Would it be fair in the colonial interest to let large blocks of land at  $\frac{1}{2}$ d. an acre which were worth 3d.?—I think if the Land Board had charge of these blocks they would have been cut up and let at better rentals, but I think the Crown ought to hold all pastoral land.

35. You said the School Commissioners returned no “thirds” to the local bodies?—Yes.

36. Supposing the administration were given to the Land Board, would the local bodies get the “thirds”?—Until recently the Commissioners were very liberal in giving grants, but it is not so now.

37. If the land were transferred to the Land Board, would they be able to give better terms?—Not without an amendment of the Act.

38. We noticed large numbers of rabbits on some of the land—I understand you have Rabbit Inspectors whose duty it is to keep them down?—Yes; but I do not know anything about the working of that Department.

39. With regard to dredging, we noticed that there were immense mounds of tailings thrown up, presumably spoiling very good land. We had evidence the other day from a gentleman well acquainted with mining who says that these tailings could be so deposited that they would injure the land very little?—I do not think there would be any difficulty in the case of a shute dredge, but it would be impossible in the case of an elevator. It is a matter of opinion whether a shute or elevator is the more satisfactory.

40. *Mr. McCardle.*] Do you not think it would be a reasonable thing on the part of the State to bring in an Act amending the Land Transfer Act so that no person could register in fee-simple more than a limited area of land?—I think that is really what is wanted.

41. *Mr. Paul.*] Do you think it would be any hardship to insist on the land being left level?—There is one other point I would like to bring out. We had splendid roads, but the work connected with the dredges has really ruined them. I think it would be fair if these dredges contributed towards the roads. I think it was a mistake also to do away with the gold duty. It would have been better for the local bodies in certain districts if the gold duty had not been abolished. The chief damage to the



roads is done by the carting of coal to the dredges. Damage is done by traction-engines breaking the culverts on the roads, and it is difficult to prove the actual damage to the culverts by these traction-engines.

RODERICK McLENNAN examined.

42. *The Chairman.*] What are you?—I am a small tenant of the School Commissioners. I hold two sections of 320 acres each, Block 9, Waikaia. My rent is 1s. 9d. per acre. I have held one section for seven years and I had a previous lease of the other section. I wish to make an explanation with respect to one section. The land is a mining reserve and I held a grazing right over it. The sections in that block were put up at 6d. an acre, and I took up one section fourteen years ago at the upset price of 6d.; two others I took up at the upset price. They had been open for selection for two years and no application was received for them. One section was all under manuka scrub and infested with rabbits. The land was put up to auction in three separate blocks, and I got one of 120 acres, and my uncle took up one section also. Mr. Robertson was the only competitor. He is evidently a man with a grievance. His own section is good land, and he has grown wheat, oats, and barley on it. The Government valuation for the section I secured was 17s. 6d., and for his section £1. I do not think that shows any inconsistency nor incompetency on the part of the management of the School Commissioners. This is land that is of no use unless it is drained and ploughed, and I think the School Commissioners should allow valuation for ditching, draining, and ploughing. I may say that I have ploughed some of the land and sowed it in grass, and three years after it came back to rushes, but draining and ploughing would make the land pretty good. I would be satisfied with a twenty-one-years lease with right of renewal at the end of the term, a fair valuation being allowed for improvements. As to the statement that the management of the School Commissioners is retarding settlement, I cannot say that I have noticed that. I am aware that many people seem to think that the School Commissioners are fair game for public criticism. I think the Commissioners are fairly reasonable. The last time they were up here I suggested that they should apply to Parliament for power enabling them to grant more liberal allowances for improvements and also to give a better tenure, and they seemed willing to do so.

43. *Mr. Paul.*] You seem fairly satisfied with the School Commissioners' administration of this land?—Yes.

44. Do you think the administration under the Land Board would be an improvement?—I do not know that it would.

45. Have you had any experience of Land Board administration?—No.

46. Do you favour the lease in perpetuity for this endowment, or shorter leases?—I think it would be rather too good. It would be practically giving the people the freehold. It is a question for those in authority to say whether it is advisable to give the freehold of educational endowments. I should, personally, be better pleased with a lease in perpetuity than with a twenty-one-years lease if it could be got, but I am inclined to think it is rather too good.

47. *Mr. Anstey.*] You think it would be satisfactory to both parties if there was a right of renewal at the end of, say, twenty-one years—full valuation for improvements—both rent and valuation to be fixed by arbitration?—Yes.

48. You think that would be more in the interests of the country than the land being taken up under lease in perpetuity?—Yes. In the case of an educational endowment that would be fair, because the endowment was set aside for a special purpose and should be administered with the view of doing what is fair for that purpose.

49. If that would be fair in the case of an educational endowment, would it not also be fair in the case of Crown land and land for settlement?—I am entirely in favour of the freehold if I lived in a district where I could get a freehold; but if it is to be a lease, I think twenty-one years is a fair thing, with right of renewal and valuation for all improvements.

50. Do you think it possible without any undue restriction to prevent the destruction of good land by the dredging?—Mining experts have considered that, and I think it was at one time supposed the good soil could be put back on the surface of the land, but that was found to be too expensive.

51. You have had no practical experience of mining?—No; but I have seen the dredges at work.

52. *Mr. McCardle.*] What is the capital value of the land per acre where the dredges are at work? I think it varies from £7 to £8, and should be classified as good agricultural land, and should not be dredged at all.

53. You are of opinion that the fact that a man gets more than the actual value of the land does not compensate the country for all the time this soil is lost?—Not by a long way.

COLIN MACANDREW further examined.

54. *The Chairman.*] Having heard the previous witnesses, is there anything you wish to say in explanation of their statements?—I wish to emphasize the fact that Mr. Robertson has a private grievance, and also a grievance as a member of the County Council in regard to a contribution towards road-making. It is well known that he is opposed to the School Commissioners, and nothing but their obliteration will satisfy him. So far as the limitation of area is concerned, the Government have the power of veto. We have to get the approval of the Minister of Lands, and if he thinks an area is too large he can order it to be cut down. There is one point I omitted to mention yesterday, and it is that the Commissioners, besides having 865 holdings held on lease, have a sum of upwards of £40,000 invested on freehold securities which they have to manage.

ALEXANDER MCGREGOR examined.

55. *The Chairman.*] What are you?—I am a farmer. I hold 324 acres of freehold and 587 acres of leasehold. I do not wish to give evidence in regard to land-tenure, but I have another grievance in regard to my freehold. The Waikaia River and Muddy Creek have been declared sludge-channels

and my land lies between the two. Unfortunately I bought this land after the ninety days within which notice must be given to the Government for a claim for compensation. I understood when I bought that the previous owner had given notice, but when I inquired I was told that the notice had not been given in time, and consequently I had no claim. My land is very good land, and by-and-by it will very likely be covered over and spoilt with mining *débris*, and I can get no compensation. I petitioned Parliament, and the Goldfields Committee recommended my case to the Government for consideration.

56. How much of your land is affected?—The whole of it, and if I received compensation on the same basis that it has been received by every one else holding land along the river I judge that the amount would be over £350.

JAMES HAMER examined.

57. *The Chairman.*] What are you?—I am a miner at present engaged in elevating and sluicing. I have worked on dredges.

58. Can you give the Commission any information in regard to this levelling business and restoring the land as far as possible to its original state?—The elevator as working at present is partly destroying the land, but if a man buys land it is his to do what he likes with it. The boxes are an improvement to a certain extent, and there is ground below here that is being dredged where the grass and clover are growing as thick nearly as ever they did before. In the case of the elevator, of course, the best part of the land goes to the bottom and the worst comes to the top. Still, I think it would involve very little extra expense to elevate the soil on to the top.

59. I suppose it would be top great an expense to cart off a foot of soil and put it on one side to be afterwards spread on the levelled tailings?—It has never been tried.

60. Why should they scoop it off?—They could do it with the dredge cheaper. They have the power there and the necessary machinery.

61. *Mr. Paul.*] Even with sluice-box dredging a proportion of the surface soil is lost?—A certain amount certainly would be lost all through the depth of the stuff they are dredging.

62. *Mr. Anstey.*] You heard the previous witness say that mining was destroying his farm and that he could get no compensation: could you suggest any equitable way in which his case could be met?—When the man bought the land it was his place to find out whether a claim for compensation had been lodged.

63. Seeing that he could not help himself, you think the miners have a perfect right to destroy his land?—Certainly. He had his chance to look after his interest.

64. You said that the miners having bought the land had a perfect right to destroy it?—Certainly.

65. Supposing the whole of New Zealand was a goldfield, do you think the miners would have a perfect right to spoil it and tip it into the sea?—A perfect right. I may say if you take up that position you open up a big question. I have seen farmers spoil their land, because while some farm the land to advantage others do not.

66. *The Chairman.*] How long have you been in the district?—About fifteen years. I may say that no one has lost by the dredges buying land.

67. Do you know the average value of gold per acre that has been taken out of the ground?—I could not say. Some of the dredges are taking £1,000 per acre, and some less.

THOMAS BAXTER examined.

68. *The Chairman.*] What are you?—I am a farmer. I hold 197 acres from the School Commissioners, and I pay 5s. 9d. per acre rent. I have held the land about two years. It is good agricultural land, but half of it is subject to floods. It is situated eight miles up the valley of the Waikaia from here. Half of it is in grass, and I keep two hundred sheep. I crop the half that is subject to floods.

69. Is your rent reasonable?—No. The land was put up to auction. It was loaded with £25 for fencing. I do not believe in the auction system. I believe in the ballot system. I was opposed at the auction, and the price of the land was run up from 3s., the upset, to 5s. 9d. per acre.

70. I suppose before you bid for it you went over the ground and made up your mind as to the amount you could afford to give for it?—I do not think anybody thinks of that when he goes to a sale. A person will bid for a section till he gets it.

71. I suppose you grow grain?—Yes; but I am over twenty-four miles from a railway. The School Commissioners never give anything towards roads. The road between Riversdale and here is good, but the road between Waikaia and my farm is very bad in some parts. There is a road through my farm to a coal-pit and we expected the School Commissioners to metal it, but they did not do so, and when the road is bad the carts go all over the section.

72. *Mr. Forbes.*] Have you approached the Commissioners to see if they will give you any reduction in rent?—Yes; but they did not see their way to do so. They allowed us a little on account of losing our crops by the floods.

73. But in the case of the man overbidding others at auction, do they make any reduction?—Not up my way.

74. You think it would be better to fix a fair rental for the sections and ballot for them?—Yes.

75. Are you satisfied with the lease?—I do not like a lease at all. I would rather have the freehold because you can then call the land your own.

76. *Mr. Paul.*] Have the coal-pit owners got a right-of-way over your section?—I am interested in the coal-pit.

77. *The Chairman.*] You say you like the freehold: if you had the opportunity are you in a position to buy out the freehold?—No; I would like to have the option in my lease.

78. Supposing that system was in vogue, would you be agreeable to have your land put up to auction, loaded, of course, with the value of your improvements, and take your chance of getting it or being outbid for it at auction?—I reckon it would be fairer to put a value on the section, but I would prefer to take the risk of losing it at auction to get the freehold.

79. *Mr. Paul.*] At your present rent is there any chance of making enough to enable you to acquire the freehold?—I do not think so.

80. *Mr. McLennan.*] Would you be satisfied if you had a lease in perpetuity?—Yes; but not at the present rental.

81. *Mr. Anstey.*] Would you be satisfied if you had the right to purchase the freehold at the present price?—No.

82. You would like the price reduced, and then you would like to buy it?—Yes.

KENNETH MCKENZIE examined.

83. *The Chairman.*] What are you?—I am a farmer. I hold close on 1,000 acres in four sections. One section, 377 acres, I hold under lease in perpetuity from the Land Board, and the other three under fourteen-years leases from the School Commissioners. I am paying 1s. 6d. per acre for two of them and 2s. per acre for a small section of 57 acres. I pay 1s. 6d. per acre to the Land Board for my lease in perpetuity. The latter was recently transferred to me. I have been in the district fourteen years and I have been seven years farming. I principally graze, but I do a bit of cropping for grain.

84. Is there anything particular you would like to bring before the Commission?—I would like to get a longer lease under the School Commissioners.

85. Would you like it under the lease in perpetuity?—Yes. I am going in for big improvements and, under present conditions, before I can get them finished the lease is out. The Commissioners do not give any right of renewal, and they try their best to take it from you.

86. In the case of the lease in perpetuity, you are aware there is no right of purchase?—Yes; I am satisfied with the 999 years. It will do for me.

87. Objections have been made by some people that they could not raise money very easily on these leases: have you had any experience of that?—No.

88. *Mr. McCardle.*] Suppose you spend all your money and find out you have nothing for stock, would you be inclined to borrow from the Advances to Settlers Office to make your improvements reproductive?—I always get on all right with the private firms.

89. Do you get your money on leases for 4 per cent.?—I always pay 6 per cent.

90. The present terms under which the Advances to Settlers Office advances money on leasehold is up to one-half the value of the improvements, but it is now suggested they should be empowered to advance up to three-fifths of the value: do you think that would meet the requirements of the settlers and save them from going to a private individual to borrow?—I believe it would.

91. I suppose you are aware that there is great difficulty in borrowing on lease-in-perpetuity land from a private individual?—I have never tried.

92. When you borrow at 6 per cent. do they not ask you questions about the value of your property and stock and plant?—My firm never ask me.

93. *Mr. Forbes.*] Do you think that the School Commissioners, who are trustees for the educational endowment, would be doing their duty by giving the lease in perpetuity?—I think so, so long as they get the same rent.

94. But they suppose as time goes on the expense of education will increase, and they look forward to an increase in the rent of these endowments?—I suppose they do when we cockatoos improve the land.

95. You do not think the land will improve in this district except by what you may do yourself?—I do not think so. It is too far back.

96. Do you think if a railway were constructed it would make any difference in this district?—Not while we have the Commissioners.

97. *Mr. Paul.*] Would it meet your objections to the School Commissioners if you were allowed full valuation for all improvements, including grassing, ditching, buildings, and fencing?—Yes; it would help a lot.

98. You would not object to the present leases with these valuations?—They are rather short. If they would give an occupier the chance of the first bid I would not object.

99. You object to the auction system and you want the option of renewal?—Yes; I may improve my land for fourteen years, and then another man may oust me out of it by bidding an extra penny at auction.

100. With reference to the lease in perpetuity you had recently transferred to you, did you pay anything for the goodwill?—Yes. The land was not worth anything when I took it up, but there were some mining rights in connection with it.

101. *Mr. Anstey.*] Have the School Commissioners treated you unfairly?—Yes. They allowed me £25 to open up a creek through my property. I spent that on the work, and I have to pay 5 per cent. on the money to the end of the lease, when the ditch is theirs. They gave it to some of the other tenants free. I do not think the administration of the Commissioners was fair in that case.

102. Then, generally, from your evidence, you think the School Commissioners are a greater drawback to the district than the rabbits?—They are.

THOMAS MCKINNEL examined.

103. *The Chairman.*] What are you?—I am a farmer, and I hold 268 acres from the School Commissioners on a fourteen-years lease. I pay 10d. per acre rent. I have had it for sixteen years, and I have just entered on the second term. I am five miles up the valley from here. I principally use the land for cropping and grazing sheep. I have no trouble with the river.

104. How do you get on with the School Commissioners?—Right enough. I may state that a block of land at the back of my place was surveyed for settlement some years ago, but the whole of the land continues to be let as a pastoral run. I am confined to the 268 acres and I cannot make a living on them, and I do not see why I should not be allowed some of the land that is now held in this large run. If I cannot get a bigger area I must leave the country.

105. Did you make any representation to the School Commissioners when you renewed your lease two years ago?—I have made representations several times, and they told me that no man could make a living on less than 500 or 600 acres; but still, the land adjoining me is held as a station, and I cannot get any of it to increase my holding to a profitable size.

106. Was your rent 10d. an acre during the first lease?—No; it was 1s. 7d. per acre. The first rent was reduced by half because they could not get any more for it. It was put up to auction and I was the only applicant.

107. What term of lease has the company got?—It is nearly up now, and that is why I am speaking about it. I think it is strange that they should have been able to get the land without it being advertised.

108. Do you mean to say that a pastoral lease has been let privately?—Yes; within the last seven years.

[At this point Mr. C. MacAndrew, Secretary to the School Commissioners, explained that no land could be leased unless it was advertised for a clear month. That was the present law. Two of the sections referred to had been put up at 9d. and 1s., but they were not applied for, and the land was added to the run because the Commissioners considered there was not enough low country to work the run.]

109. *Mr. McCardle* (to witness).] What is the acreage of this run?—I think, about 7,000 acres.

110. Are you of opinion that the run could be occupied with profit in smaller areas than it is now?—Yes; the land would let at a higher rental in smaller areas and would do more good to the country.

111. How many small settlers are fronting to this land?—Only myself.

112. And you only want a portion of it?—I only want enough to make a living on. I have three boys just leaving school, and I must have more land if I am to live here.

113. *Mr. McLennan*.] Under what lease would you like to take the block up?—All the leases are too short here, and, in addition, you do not get anything for improvements.

114. If you were fortunate enough to get the block would you be satisfied with a 999-years lease?—But I would rather have the freehold than anything else if I was in a position to get it.

115. But if you could not get the freehold of this land would you be satisfied with a lease in perpetuity?—Certainly.

116. *Mr. Paul*.] What is the name of the run?—It used to be called Hyde Home Run, and the present holder is Mr. Pinkney.

117. *Mr. Anstey*.] You have heard the reason given for throwing these sections back into a run; that they wanted more low country to enable them to work the high country: do you think that land could be profitably worked under the reverse process if the large run was cut up into, say, 2,000 or 3,000 acres and leased to holders of the low country without residential restrictions?—I consider it would be a great improvement and would be more profitably worked.

#### RODERICK McLENNAN recalled.

118. *The Chairman*.] What do you wish to state further?—I wish to state that my uncle holds a lease of the land mentioned by the last witness. At the time the Commissioners thought it advisable to put these sections in with this run the country was overrun with rabbits, and, of course, no one thought it worth while taking it up. The rabbits have been cleared off at considerable expense, and now the country is fairly clean and the grass is showing well, and people, no doubt, think it is a hardship that they cannot get any of the land. But the course the Commissioners pursued in adding the sections to the high country was the only one to be followed at that time.

#### JOHN MAHER examined.

119. *The Chairman*.] What are you?—I am a farmer, and have about 800 acres that I farm. I have land under three tenures—274 acres freehold, 320 acres lease in perpetuity, and 320 acres on a fourteen-years lease. I have been twenty years in the district. I pay 1s. an acre for the lease in perpetuity and 1s. 9d. for the other land. It was originally 1s. 6d. an acre. It was then reduced to 1s., and within the last two months it has been reduced to 9d. My place is seven miles from the Township of Waikaia and towards Riversdale. I crop my land sometimes, but it is really nothing but pastoral land. I do mixed farming, but I mostly run sheep on the land.

120. Do you wish to bring any particular matter before the Commission?—I think the leases from the School Commissioners are too short—viz., fourteen years. It seems to me ridiculous to expect that a man will put permanent improvements on land and settle on it when he has only a fourteen-years lease. When I took up the land originally it was in tussock. The land I hold now under lease in perpetuity was originally a deferred-payment section. When I took up the land you were not allowed to take up two freehold sections side by side. The settlers were allowed to take up a freehold or a perpetual lease under certain conditions. A great many settlers turned their land into freehold, but a few years ago the Minister of Lands prevented any further conversion of the sections into freehold. I believe in the deferred-payment system. I could see no good reason for paying 1 per cent. extra under perpetual lease, and therefore, on behalf of my wife, applied to have the tenure changed to lease in perpetuity. Seeing that the great bulk of the settlers were allowed to convert their perpetual leases into freehold, I think we also should have been allowed to do so. I consider that the deferred-payment system of land-tenure is the best that has ever been in force in New Zealand. Personally, I have no fault

to find with the School Commissioners. I find them as liberal as the Southland Land Board, and that is saying a good deal. In the case of a short lease of fourteen years, the tendency is that towards the end of the lease the tenant will make as few improvements on the land as possible, because if he greatly improved the land he would have to pay an enhanced price for lose his improvements. There is another drawback in regard to the School Commissioners, and that is there are no "thirds" for the roads. Of course, that is not the fault of the School Commissioners. When the land was originally leased to most of the present tenants it was stated that the railway would soon run to this district, but the line has not been made yet. Some persons who came to the district with the intention of taking up land have raised the objection that it is too far from the railway. It is ten miles to Riversdale by road from my place, and I am the nearest settler to Riversdale. Had the railway been made, as was promised, there is no doubt the district would have been improved a little; but it is a district that will not improve very much, as the land is of inferior quality. The greater portion of it is very light and will not grow grass very well. If the railway were taken up from Riversdale to Waikaia, I would be within three miles of the railway.

121. *Mr. McCutchan.*] Your application to convert your holding was not made within the prescribed period?—There was no use applying until we saw how the other cases would be treated.

122. Then, there was no breach of faith in that particular case, because the application was not made in time?—Not in that case, but it would have met with the same fate.

FINLAY MURCHISON examined.

123. *The Chairman.*] What are you?—I am a farmer, and hold 800 acres under lease from the School Commissioners. I pay 9d. an acre for some of the land, and 3d. for some of the rest. I have been thirty years here, and my place is seven miles from the township. My lease is for fourteen years. I have a similar objection to the School Commissioners' leases as the other witnesses; but I have another objection. In the older leases there is a clause about grass—that you have to leave two-thirds under grass. I think one-third would be quite enough, but under the new lease you have to leave the whole lot under grass. Then, you get no valuation for various improvements. In fact, they are the worst leases I have ever read. I have nothing to say against the School Commissioners personally. Some of them are very good men. There is no doubt that the deferred-payment system was the best ever introduced for settling people on the land. I think the Government should have reserved a portion of the hills for those settlers who took up the flats, and allowed them to run their sheep on the high land and grow turnips on the flats. I had to give up the first place I took up because I had no outlet.

124. *Mr. Hall.*] If the School Commissioners gave you the option of a second term of twenty-one years, would that be satisfactory to the tenants?—I think so.

LUMSDEN, THURSDAY, 9TH MARCH, 1905.

JAMES MILNE examined.

1. *The Chairman.*] What are you?—The lessee of the Fernhill Run, Wakatipu. The area is about 49,000 acres, and I have held it for fourteen years. I pay £33 a year.

2. We have been considering the question of pastoral runs a good deal, and whether there should be any extension of the term of lease or any other encouragement given to the runholder to induce him to improve and make the country more productive: have you ever tried any surface-sowing in your country?—Yes, and it succeeded very well if the season was in any way damp. I have tried about 2,000 acres during the last ten years. I sowed cocksfoot and white clover, and I find it holds very well and gets the better of the fern. I tried sowing high up on the snow-line, but it did not take so well. I do not think that exposure in any particular direction made much difference. It was just a matter of difference in the soil.

3. How much stock was your run capable of carrying when you took it up?—I put on 2,000 sheep to start with, and I think it was then well stocked. There must be about 7,000 sheep on it now, and it carries them well. I have subdivided the run since I took it up and that has helped to improve the carrying-capacity. My lease is for twenty-one years, and there are seven years to run yet.

4. Is there any way in which you think the Government could reasonably give more encouragement to the runholders?—I think it would be better if the Government gave them more valuation for improvements, such as surface-sowing. Under my lease I get five years rental for improvements at the end of the term.

5. Do you think twenty-one years is long enough lease?—Yes.

6. Do you think it would be wise for the Government to sell these great runs, or do you think they should keep them as they are?—I think it would be just as well to keep them as they are.

7. Do you turn any fat stock off your run?—Very few. The country is so high that there is not a big increase. I can just about maintain my stock, and in the last few years I have slightly increased it. I sell very few stores. My sheep are merino, and my average clip per sheep is about 5½ lb.

8. Do you ever lose stock by the snow?—Yes. I have only had two bad years since I went here—in 1885, when I lost 1,500, and in the year before last, when I had to feed my stock for some time. My average loss from all causes is about 12 per cent.

9. Do you cultivate any turnips?—No; I have no ground for cultivation.

10. *Mr. McCardle.*] In regard to surface-sowing, is your run capable of being improved to a considerable extent?—I think so.

11. And if the Government were to give fair encouragement, would the tenants take the trouble in their own and the State's interests to sow and bring their runs up to their best carrying-capacity?—I am quite sure they would.

12. Are you much infested with rabbits?—Not so much lately.

13. Do you find the native grasses still remaining well in the ground?—Yes; and they are improving of late years. I find cocksfoot holds well if it takes well.

14. Under these circumstances your run would be capable of carrying a considerably greater number of sheep?—Yes.

15. *Mr. McLennan.*] How do you sow the grass?—Just with our hands. The country is too rough to harrow, and we do not cover the seed in any way.

16. *Mr. Paul.*] It has been shown to us that inferior and dirty seed has been sown on these runs?—I have not the least doubt about it in some instances. I am not in favour of sowing dirty seed.

17. It has been suggested by one witness that the Government should supervise the seed-sowing, or supply the seed to be sown at about cost price: do you think that would be an improvement?—The objection to that is that it might not be sown in the right place.

18. Do you think that under proper supervision it would be an advantage?—I have not the least doubt that it would be to some.

19. Are the weeds bad?—We have no weeds as yet.

20. Then, that is just the place where clean seed should be tried?—Yes.

21. *Mr. Anstey.*] If this run were properly improved by grassing, do you not think you could largely improve your output of sheep?—If the grass was better we could breed more, but it is a great expense to muster them in the high country. The trouble is the country is too high for mustering, and another drawback is that there is no ground for cultivation.

22. *Mr. Hall.*] Have you sown any finer grasses than cocksfoot?—I have tried fescue, but I did not find it a great success. It took well enough, but the stock did not seem to take to it.

23. *Mr. McCutchan.*] What quantity of cocksfoot and clover do you sow to the acre?—The country is too broken to give you an idea, but on any special piece I generally sow about 10 lb. of cocksfoot and 2 lb. of clover.

24. Do you find the fern a difficulty after burning and sowing?—It will grow again, but if the grass takes well the stock will keep the fern down without the necessity of any further subdivision.

25. Is there any annis plant on your run now?—Some, but not much. I would like to state I find it is a great expense to keep continually at the rabbits owing to the large extent of rough country we have to work over. I find that pollard poison is the best. I poison once with oats and the next time with pollard in order to give a change. I find that if you allow the rabbits to increase at the bottom of the mountains they will spread right to the top. You must keep them down below, and doing that is a bigger expense than mustering stock. I do not approve of trapping in that high country.

26. Are there any rabbits in that wild mountain country behind you?—Wherever the country lies to the sun. Where it is dark they die out in the winter. The reason I do not like trapping is that it proves injurious to the natural enemies, and they are increasing wonderfully. They are ferrets, weasels, and cats. We tried to breed the latter, but they were not a success, although cats kill a lot of rabbits and are hardier than the ferrets in wet weather. The rabbits are all about the country there.

27. Does the woodhen attack rabbits?—It is extinct now.

28. Do you net any of your fences?—We do, because we could not otherwise cultivate any of the small patches of the low country.

29. *Mr. Anstey.*] Do you think trapping tends to keep rabbits on the increase rather than the decrease?—I think it tends to decrease the natural enemies, but it does not tend to decrease the rabbits.

30. Could you wire-net a considerably larger portion of your run if you could get the wire-netting at a cheap rate from the Government?—Not in my case, but it would be a great improvement in some parts of the country.

31. *Mr. Hall.*] In laying poison for rabbits, do not the cats get poisoned?—I never knew them to take poison. I have tried with the poisoned rabbits and it has had no bad effect on them.

FRANK HOWIE McLEOD examined.

32. *The Chairman.*] What are you?—I am a farmer at Caroline. I have 300 acres of freehold, and I rent 1,352 acres of Crown land under lease in perpetuity, for which I pay £21 a year. I have held it a little over ten years. I suppose the leasehold property will carry about five hundred sheep now, and I have about sixty or eighty head of cattle over the freehold and leasehold places.

33. Is there any particular point you wish to bring before the Commission?—The principal 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. I did not understand the lease in perpetuity as well when I took it up as I do now. That is my simple reason for coming here to-day.

34. You would like to have your land with the option of purchase?—Yes; if it was possible.

35. Supposing you had the right to purchase just now, would you make it freehold right off?—Quite likely I would.

36. Supposing the Government chose to break their contract with you, would you be agreeable that this land should be valued at its present value and your improvements also at their present value, and that it should be put up to auction? You would be secured in your improvements, but you might lose hold of your land?—I would be quite pleased to get my improvements and leave the place altogether. I have spent a lot of money on it, and if the noxious weeds come very bad the hills will not be worth having.

37. What particular noxious weed are you threatened with?—We have very few noxious weeds now, only we do not know how much Canadian thistle we will get. The seed is blowing from the river. That is the only weed we are frightened of. The ragwort does not bother us.

38. *Mr. Forbes.*] Does the Inspector come on to your place about noxious weeds?—He does not come to the place, but I got a notice to eradicate them. I have cleared my place of ragwort and sweetbriar; but there is a Government reserve alongside me which is full of sweetbriar 10 ft. or 12 ft. high, and the Government will do nothing with it, and I get the seed on to my place. I have written to the Inspector about it and I have interviewed the Stock Department, but I can get no satisfaction. The sweetbriar is the worst weed we have.

39. If you acquired the freehold there you would not be in any better position, so far as noxious weeds are concerned?—No; but I would have more satisfaction in working for myself. We have not much faith in the Government here, and we never know what they will do.

40. You would still be liable to have the Ranger come on your place about noxious weeds?—But we keep them clear on our own account. I keep them down as much as I can. I have improved my place immensely by surface-sowing, but if the weeds became bad it would not pay me to keep them down.

41. You have the right under the lease in perpetuity to throw up the place and get compensation for improvements?—I have had some experience of that. I surrendered once and no one applied for the land, and the Board told me the only thing they could do was to reduce the valuation for improvements. Well, they might have continued to reduce them until there was nothing at all. It is a very unsatisfactory position. I think the freehold would be better, because I would be prepared to take all sorts of responsibility then.

42. You cannot get out at present unless some one comes along to take up the place and buy your improvements?—That is so. It is hard to sell out of leasehold. I have nearly £1,000 in improvements in that place—in fencing, buildings, surface-sowing, and one thing and another. I should say the evidence of the last witness in regard to surface-sowing is the most sensible I have heard. I have surface-sowed over 300 acres in the high country. I find the grass takes all right if the weather is damp.

43. Your neighbour, Mr. McLean, has told us what he did?—I had some of his advice, but I did not follow it up.

44. Do you think it is possible for the Crown to clear its property of noxious weeds?—I know they have three men working at the reserve at Caroline, cutting down ragwort, and at the rate the work is going on it will take them twelve months to finish. They are cutting down the ragwort, which is no trouble to any one with sheep, and they are leaving the sweetbriar.

45. But cutting down ragwort will not do any good?—I suppose they have to spend the money somehow.

46. We have had evidence that the ragwort is no trouble in any place where sheep are run?—None at all. The sheep keep it down. My sheep got into the Government reserve before I had fences up, and they kept the ragwort down there. I think it is a mistake for the Stock Department to ask people in outside districts like ours to cut the ragwort at all. But the thistle is different, and there is no doubt it is spreading. I keep looking for them all over the place.

47. Would it not be more sensible if the Stock Department concentrated their efforts on the thistle and sweetbriar and left the ragwort alone?—I think so.

48. *Mr. Paul.*] Is this notice the only pressure that has been brought to bear on you to eradicate weeds?—That is all. I never had any trouble with the Stock Department. I think they send out the notices to save themselves. When we get a notice we are liable any day to be prosecuted and fined if we do not destroy our weeds. I do not complain about the notice.

49. Still, you think it is impracticable to eradicate ragwort?—Yes; and even on the Government reserve it is throwing away money.

50. Apart from your improvements, this does not appear to be a very valuable property?—It was worth nothing when I got it.

51. Do you think you would exercise the option of purchase?—Yes; and I would put in further improvements if I had the freehold.

52. What is your object?—I think I would be able to sell the freehold; and, further, I have a family growing up and it would make a good property with my own freehold to divide amongst them. There is no provision for dividing these leases in perpetuity at present.

53. *The Chairman.*] I think you could, with the leave of the Land Board?—I have seen no provision for it.

54. *Mr. Paul.*] You would not buy this leasehold with the object of making a permanent home on it?—I have a permanent home on it now. I put a good house upon it.

55. But I gathered from your evidence that you would be very well satisfied if you could get the value of your improvements and get out of it?—Certainly.

56. Then, it seems to me, under the circumstances you would hardly want to buy it?—I would buy it because I would have a better chance to sell it again. I have bush on the property which I would clear if I had the freehold, but I know under the present lease I will never be clearing it.

57. *Mr. Anstey.*] You think the Government ought to remove ragwort from the list of noxious weeds?—I do not know about the towns, but so far as the country is concerned I do not think it is a noxious weed at all.

58. Do you think it would be any harm if it was removed from the schedule of the Noxious Weeds Act?—I would not care to graze cattle or horses on it, but there is no harm in putting sheep on it.

59. Would it not be much more sensible for the Government to put sheep on the land alongside you instead of employing men to cut the ragwort?—Of course. I offered to put sheep onto the land, but they told me they were not going to give away the people's patrimony.



60. Is your rent too high?—It is not too high now.
61. Do you think your property would be more valuable to you as a freehold than under lease in perpetuity for 999 years?—I should make it more valuable.
62. Under the lease in perpetuity you are now paying 4 per cent. on the capital value, and if the property was thrown open with the right to purchase you would have to pay 5 per cent.: would you be prepared to pay the 1 per cent. difference to acquire the freehold?—Yes.
63. Are there any rabbits?—There were plenty when I went there, but there are none there now. There is no difficulty in keeping down the rabbits if the poison is laid systematically and regularly. I find pollard poisoning very effective.
64. Do you think trapping the rabbits tends to conserve them?—Yes, if you give one man the same ground year after year.
65. Do you think that trapping ought to be stopped, and that if it was stopped there would be less rabbits in Southland?—I think it would be well if it was stopped altogether.
66. *Mr. Hall.*] What is your experience of feeding sheep on ragwort?—I have not had any experience, but I always find the ragwort is kept down when sheep are put on it. I would not care to feed them on it when the ragwort is in seed.
67. Do you think it is injurious to the sheep?—I am sure it is not while it is young.
68. As regards tenure, you think the chief advantage in the freehold is the facilities it offers for selling?—I think it is more saleable, but I should feel more satisfied under the freehold. I think all feel that.
69. But apart from selling, is the lease in perpetuity not satisfactory?—I have had no fault to find with it so far. I have had no trouble with any Government official.
70. *Mr. McCutchan.*] It is said that ragwort lives for two years: if it is kept down for one year and not allowed to seed could it not be got rid of altogether?—Sheep will not allow it to get up at all. Cutting will not keep it down.
71. Why did you say you would not care to put horses and cattle in a paddock with ragwort?—I think there are a lot of insects about it which are injurious to horses and cattle.
72. Have you any definite proof yourself to that effect?—No; it is simply an idea.
73. Have you sweetbriar on your land?—I had, but it is all grubbed up now.
74. Did you find it grow again from the roots after grubbing?—Not if it is properly grubbed. If the main root is taken out it will never grow again; but it is coming on my place owing to the seeds from the Government reserve.

DONALD FRASER examined.

75. *The Chairman.*] What are you?—I am a blacksmith living in Lumsden, and I have lived here for about twenty years.
76. What do you wish to bring before the Commission?—I have two quarter-acre sections leased from the Education Commissioners in the town here. It is felt that these education reserves are retarding the progress of the town, and the people would like them to be offered for sale and the present occupiers or the public generally given an opportunity of purchasing them. We think if that had been done years ago the town would be looking much better than it does now, and it would be better for those who have not sufficient freehold at present and who do not want to build on leasehold.
77. How much of Lumsden is education reserve?—Almost every other section in the town is leasehold. I have a freehold section, and the one next to me is freehold because it was acquired somehow in the early days. My first lease was for fourteen years, and I paid £1 a year for each quarter-acre. The lease of one expired last year and I took it up for a further term of twenty-one years, and the rent has been reduced to 15s. per section. I am not concerned so much about myself as for the town. In the main street there are breaks here and breaks there, and the townspeople are cramped on their own holdings, and they have not the heart to improve on leaseholds.
78. I notice some very good buildings here: are they all on freehold?—Principally. There are some fairly good ones on leasehold. At the end of the fourteen years I would have got value for my improvements if I had not renewed, but I will not get any valuation at the end of my new lease. I have improvements to the value of between £90 and £100 on one of my sections.
79. Is your opinion about the sale of education reserves shared in by your neighbours?—Yes; that is the universal opinion. It is admitted by every one in the place that the sections should be acquired.
80. *Mr. McCardle.*] If you put in further improvements under your twenty-one-years lease you will get no value for them at the end of it?—No.
81. Then, considering the fact that you lose the whole of your improvements now on the property, your rent is a high one?—Yes.
82. What is the value of your sections provided they were freeholds?—I suppose the market value would be from £15 to £20.
83. If these sections were sold the Education Trust would not receive an equivalent for the rent they are now getting at 5 per cent. from the leaseholds?—I think that is their great object in keeping them as they are. I think if the present tenants had the power to purchase they would give full value for the sections.
84. *Mr. McLennan.*] Would you be satisfied to get a lease in perpetuity of these sections?—I would rather make it a freehold. I believe in the freehold.
85. If you cannot get the freehold would you be satisfied with a lease in perpetuity?—I would as soon see it as it is.
86. *Mr. Paul.*] You think these leaseholds are keeping the town back?—There is no doubt about it. A man cannot extend his business if he wishes to.
87. Do you mean to say a man wants more than a quarter-acre for a dwelling or business?—He might want it for outbuildings.

88. Do you think it would meet the object of these endowments to sell the freehold in the towns?—I think so. They would draw a large sum from the sections in this township.

89. I think you said the sections would sell from £15 to £20?—I said that was the market value. Probably I might give £25 for the one I have.

90. Suppose you gave £25 for the freehold of one of the sections, that is what the trust would receive?—Yes.

91. Do you think these sections would sell for £25 in twenty years' time?—I think it would be a poor look-out for the town if they did not.

92. Do you think it is probable the price would double?—I would not say double, but I think they would bring a higher price if the freeholder had them. I do not know if they would get more for them in twenty years than they would now if they leave them in the Commissioners' hands. Irrespective of the tenure, people do not like to lay out improvements on freehold.

93. If these sections were put up to auction at the present time I suppose several would be bought as a speculation?—I hardly think so, because there are so few of them together. It would be the present adjoining holders who would buy them.

94. Do you not think that some of the adjoining holders would buy them as a speculation?—No; they would buy them for their own use principally.

95. If these sections were made freehold, whether any improvements were put on them or not, would they not increase in value as general improvements were made in the town?—They would.

96. Most of the young towns will go ahead in the future. You will see that sort of thing going on?—Yes.

97. That is what is referred to as the unearned increment?—Yes.

98. Then, you do not think that the endowment is entitled to that unearned increment?—No; I think it belongs to the settler who has battled through the country to make a living and to bring up a family, and who is paying taxes which will be increased as the values increase. I think the country as a whole will get just as much benefit as the Commissioners are getting now.

99. You know from your experience that some of the best buildings in towns are built on leaseholds—for instance, in passing through Gore we found that some of the best buildings were erected on leasehold: how do you account for that?—I think they are taking a risk.

100. If you were allowed full compensation for improvements at the end of the twenty-one years, would that not meet your case?—If I was to get full valuation it would not be equivalent for everything I would put on a leasehold section.

101. You would really want the right of renewal?—I would rather buy mine.

102. You have given your opinion as to the town sections: would you sell the freehold of all educational endowments?—No, I do not think so.

103. Why do you distinguish between the town sections and runs and farms?—These people have the option of competing for them at the end of the term, and are under the same conditions as holders of town sections.

104. The dweller in the town has the same chance of competing for the lease?—Yes; but he cannot get proper valuation for improvements.

105. *Mr. Anstey.*] Who administers these sections?—The School Commissioners.

106. Would it be satisfactory if there was a right of renewal and valuation for improvements—both being fixed by arbitration?—That would be more satisfactory than the present arrangement.

107. I suppose you are aware that these endowments are set aside for education purposes, and if the Commissioners part with them they part with something which is probably better security than any other investment, and there is a difficulty in allowing them to be sold?—Yes; but the people live on the land and they pay rates and taxes.

108. If you had got full valuation at the end of your lease with the right of renewal, that would not prevent you putting up substantial buildings?—I would rather have the option of purchase. I do not think it would be a barrier, but I am sorry I could not purchase.

#### JAMES MARTIN examined.

109. *The Chairman.*] What are you?—I am a general commission agent in Lumsden, and have been here about twenty-seven years. I have a freehold and three leaseholds from the School Commissioners in the township. My sections are valued at different rates: one at 10s. per annum, one at £1, and another at £1 10s. The term of my lease is for fourteen years. The sections are all in use. The general feeling here is that the leaseholders would like the option of converting their leaseholds into freeholds. One does not care much about putting many improvements on the leaseholds, although I must admit that the present agent, Mr. McDonald, was fair in giving valuation for improvements at the end of the term. My lease is for fourteen years, with valuation for improvements. I understood that the further term was only for seven years, making a total lease of twenty-one years in all; and, according to the terms of the lease, we understand that we forfeited the improvements—all the property reverting to the Commissioners with everything on it. The late Sir John McKenzie visited this district and this matter was brought under his notice, and he said he would try and get these sections brought under the administration of the Land Board. Of course, that would require an Act of Parliament.

110. You wish to have the option of converting the leaseholds into freeholds?—It would be a benefit to us, but at the same time I do not see why education should be robbed of any of its advantages or revenue. Generally speaking, I think the town has gone back since I came here.

111. I understand that while you approve of the education leases not being made freehold you think there should be substantial valuation given at the end of the term?—Yes; that is my point.

112. *Mr. McCardle.*] Do you say that certain sections are almost valueless: are they free-

holds?—They are both freehold and leasehold. There are a good many leaseholds about here that have not been taken up at all. Where you see the ragwort flourishing those are the Commissioners' sections.

113. *Mr. Forbes.*] Are the freeholds all taken up here?—Pretty well.

113A. What sort of prices were given for them?—Fancy prices. Some of the sections which were taken up at £60 or £70 are not worth £20 now.

114. How long ago is it since they were cut up?—More than twenty-seven years ago.

115. *Mr. Anstey.*] Were these large prices paid at auction?—Yes.

116. Supposing these leaseholders had the right of renewal and full compensation for improvements, both being assessed by arbitration, would that be more satisfactory?—Yes; much more satisfactory. I do not think there is much prospect of getting the leaseholds converted into freeholds in our lifetime. I think the lease in perpetuity would be more satisfactory.

117. You say there are a number of leases for twenty-one years, and you think at the end of that term the improvements are absolutely forfeited?—I understand so.

118. Do you agree with me that for a public body charged with the administration of public land that is an iniquitous thing on their part to absolutely confiscate buildings erected by private individuals?—Yes; I quite agree with you.

119. *Mr. Hall.*] If there is valuation at the end of the lease the rental would be much higher?—Some of the sections have been renewed at a lesser rental.

120. Those who advocate getting the freehold of these sections run the risk of depreciation in value and loss?—The price at which a property is bought is governed by the market.

121. I presume you would not advocate the Government selling these endowments?—I do not think so.

122. These trusts should be regarded as sacred for all time for the purpose of education?—Yes.

DONALD FRASER recalled.

123. *The Chairman.*] What are you?—I reside at Lumsden. About a year or eighteen months ago the New Zealand Agricultural Company sold to a private individual about 2,000 acres of land. I think it would be well if the Commissioners recommended that this land be purchased by the Government. It could be bought from the present owner and cut up. It would increase the prosperity of the towns. I think the land might be divided into sections of, say, 100 acres. It is back country, that could be used for stock in connection with agricultural holdings. I would also keep down the rabbits, and in that way would save the Government a great deal of expense. Richard Yardley is the owner of the 2,000 acres. If what I suggest were done, together with the land we have now in occupation, it would make a splendid centre for dairying. I do not agree with Mr. Martin that Lumsden is going back. The town is really growing, but the speculation in farm land some years ago ran up the price of the land.

124. *Mr. McLennan.*] How would you cut up these sections if the Government bought the land?—Perhaps in sections of 150 acres, with the privilege of leasing the back country for stock. I would let the people buy the land and make their homes there.

125. Do you think the Government should buy this land and resell it?—Yes. I believe a good deal of the land would grow wheat, and if it were bought at £1 5s. or £1 8s. an acre it would be as good a deal as ever they made.

126. *Mr. McCutchan.*] Do you not think it would be wrong to buy that land and sell it without restricting the areas?—Yes. I think the sections should be of 100 acres, and further sections of 500 or 600 acres of the back country would enable the settlers to make a very good living.

127. *Mr. Forbes.*] You suggest cutting up this land and selling it?—I think the best tenure would be to dispose of it on deferred payment.

128. *Mr. McCardle.*] Do you not think it would be better if the 2,000 acres were purchased and let in sections under the lease in perpetuity?—I think it would suit my case, but I think also the freehold would be the best. I am of opinion that the second best would be the lease in perpetuity.

129. *Mr. Forbes.*] You would prefer occupation with right of purchase?—Yes.

LARS PETER OHLSEN examined.

130. *The Chairman.*] Do you wish to make a statement to the Commission?—I took up 200 acres of farm land from the Government. In those days we could get land under three different systems—namely, cash, deferred payment, and perpetual lease with a purchasing clause. I converted the land into a freehold after twelve years. I worked at my trade as a carpenter and also worked on the land, and was enabled in the course of time to secure a freehold. I bought a lease-in-perpetuity section from a private individual, the area being 48 acres. It is in the same block, and I pay £3 17s. a year for it. I think the land-administration of the colony could be improved in some respects. It is a hardship on the settlers. They are not allowed to make their holdings freehold.

131. As to the 48 acres under lease in perpetuity, is not that just almost as good as a freehold?—No. There is something in the European mind which causes a man to wish for the freehold. Then, in the case of a lease, there is no security against an increase in the rent.

132. *Mr. Paul.*] Do you mean to say that a man could not get a living on leasehold land?—Most decidedly he can, but it would be more satisfactory to him to own land himself than to lease it from anybody else. When I made my first section freehold I had a little money saved up, and I was enabled to get a little more to enable me to secure the land, whereas if it had been a leasehold I would not have been able to raise the money.

133. *Mr. Anstey.*] Do you think in respect to land-tax or in any other way the Government would specially select lease-in-perpetuity settlers for spoliation?—Not them alone; they would tax the others also.

134. If the Government puts exactly the same tax on the freehold as the leasehold where is the difference?—A man working his own property has more heart in improving it than a man working another person's property.

ERNEST McDONALD examined.

135. *The Chairman.*] What are you?—I am a settler at Athol, and hold a pastoral lease of 4,800 acres; also a lease in perpetuity of 293 acres. I have held the pastoral lease about six years, and the lease in perpetuity three years. I pay £20 a year for the pastoral lease and £2 19s. 3d. for the lease in perpetuity. I run 1,200 crossbred sheep on the two holdings. As to improvements on the pastoral lease, the Act allows me five years' rental—£100—and it will take about twice that sum to put up a boundary-fence. I have no right at the end of the lease to the land at the home-stead. I consider that pastoral leaseholders of under 5,000 acres should have special terms in the matter of improvements at the end of their lease—that is, compared with big pastoral runholders. Then, where I am the winter is very severe, and a man is expected to keep his sheep alive through the winter without being allowed to do cropping for winter feed. I do not mean to say that a pastoral leaseholder should be allowed to crop as much as he liked, but he should be allowed to crop, say, 5 per cent. of his total holding. My lease is for ten years. There is a lot of mining on my land. I have tried grassing on the hills, but on the lower land I have scattered some seed broadcast, and the swamps have done very well.

136. *Mr. Anstey.*] If you had a lease-in-perpetuity tenure for the whole of your run, would not that be satisfactory?—Yes.

137. Can you give any reason why you are not allowed to crop the land?—I cannot see a scrap of reason for it.

WILLIAM HENRY GIBSON examined.

138. *The Chairman.*] What are you?—I am a small runholder at Athol. I have a pastoral lease of 990 acres, and pay £16 8s. per annum. It only carries about 300 sheep. A good deal of the land is cultivable, but I am not allowed to cultivate it. I have some low ground, and keep the sheep there in the winter. I have to buy turnips from other farmers. I concur with Mr. McDonald's evidence.

JAMES PATERSON examined.

139. *The Chairman.*] What are you?—I am a station-manager, at present managing the New Zealand Agricultural Company's property, the Waimea Estate.

140. Have you ever tried surface-sowing in your hilly country?—We have done very little in that way, but have laid down many thousands of acres of freehold land in grass. We had some 70,000 acres of Crown land, but the leases ran out and we have not taken them up again. The land is being taken up by others.

141. I presume the reason is that your company is practically clearing out?—Yes.

142. And you are gradually selling the agricultural land?—Yes.

143. *Mr. Anstey.*] How much of the station is still in the hands of the company?—There is about 30,000 acres of freehold land still unsold. We have sold about 130,000 acres. The land is suitable for small settlement. We are selling farms at present now and again. The property has been offered to the Government for settlement purposes.

JOHN MORGAN PRICE examined.

144. *The Chairman.*] What are you?—I am a farmer at Athol. I have about 7,000 acres freehold and 9,000 acres leasehold. It is a pastoral lease. I have been here for forty years. For the pastoral lease I am paying about £25 a year. The rabbits are not so bad now as they were twenty years ago. We have to keep them down or we could keep no stock at all. There are about four thousand sheep on the whole place. I also keep over a hundred cattle and about twenty-one horses. I am quite satisfied, and have nothing specially to bring before the Commission; but I would like to see the settlers get the freehold.

145. If the leasehold were a freehold, do you think you would keep the rabbits down better?—If a man has a freehold the property is his own, but if there are only two or three years of a lease to expire I am not going to clear the rabbits so as to let the next man get the benefit of my work. I think the option of the freehold should be given.

146. *Mr. Forbes.*] Do you believe in the Government taking the freehold in certain cases and cutting it up?—Yes; as long as they do not charge too much. At Edendale the Government are charging far too much.

147. *Mr. Paul.*] Would it pay any man to allow rabbits to increase in the last two or three years of his lease?—No; but plenty of men do it for spite.

148. You have 7,000 acres of freehold: are you in favour of limiting the area of freehold?—Yes.

149. What do you say is a fair area for one man to hold?—I would hold as much as I could, so long as I could pay for it.

150. Would you like a freehold of the 9,000 acres of pastoral lease?—No; it is too poor. But I would take it if I could get it at my own price. That land is worth about 5s. an acre.

151. That would give you 16,000 acres of freehold?—I have my family to consider.

152. Do you think that would be too much for one man to hold?—No; I do not think so in this high country.

SAMUEL SOAPER examined.

153. *The Chairman.*] What are you?—I am a farmer at Athol. I hold 503 acres under lease in perpetuity and I pay £24 16s. 8d. a year rent, and I have about 200 acres suitable for cropping. I have no stock at present. I have been there seven or eight years.

154. Are you satisfied with your tenure?—I am satisfied in a way, but I would sooner make it a freehold property if I could. I would buy the freehold if I had a chance.

155. Supposing you were given the opportunity, and the Government said you have been there seven or eight years and the place has improved owing to the general rise in value in the country, would you be agreeable that the land should be valued at its present value, and your improvements valued, and that the property should be put up to auction? Your improvements would be protected, but some one else might outbid you for the place?—I would not agree to that.

156. You would rather hold to your lease?—I would rather hold to the lease than run the chance of losing the place.

157. You think the lease in perpetuity is fairly satisfactory?—Yes; but still you do not feel the same as if the place was your own, and you do not feel as if you could do the same amount of work. There is another thing: if you want a few pounds at any time you cannot borrow money on the leasehold. Hardly any one will lend you a few pounds on a leasehold like that. I went to the Government on one occasion when my improvements were valued at some £200 or £300, and, although I only wanted a small amount, I could not get anything at all.

158. Did they give you any reason for not lending?—They said my improvements were not such as would warrant a loan. My improvements were a house and stable, and Mr. Green, who valued for the Advances to Settlers Office, valued them at £100.

159. Did you succeed in borrowing from any private individual?—Not then, but I have since.

160. What interest are you paying on the money you borrowed?—I pay 6 per cent. on leasehold. I could have got it for 5 per cent. on a freehold property.

161. *Mr. McCardle.*] Is that your main reason for objecting to the leasehold?—That is one of the chief reasons.

162. If the Government amended the Act and treated settlers more reasonably than they are doing now, do you think the leasehold would be a good tenure?—I do. There is another thing. I have paid £100 for four years, and I can go on doing that until I am grey-headed, and my children after me, and then we will be no nearer to owning the place.

163. Is the Government price too high?—I fancy it is.

164. But if the Government price were not too high, and they only charged you 4 per cent. on the capital value, that is cheaper than any rate of interest you would pay a private individual for the fee-simple?—That is true.

165. *Mr. Forbes.*] You said you would like to get the freehold of your lease in perpetuity, but you would not like to bid for it at auction: what would you suggest is a fair way, in the interests of the country and the interests of the settlers, for a man to acquire the freehold of his lease in perpetuity?—Do you not think that the Government ought to let him have it at the upset price put on it, because I have put all the improvements on my place since?

166. But when you took up that leasehold there might have been eight or ten people who would have gone in for it had it been any other tenure: if you want the freehold now do you not think it is a fair thing that these eight or ten people who also wanted the freehold should have a chance to get it?—That is very true.

167. Then, does it not seem a fair thing, if you are going to alter the contract now, that these disappointed people should have a chance of acquiring the property?—That is so, and that is another reason why I would rather have the freehold.

168. *Mr. McLennan.*] Are you aware that the law must be amended before you can get the option of the freehold?—I am.

169. What is your capital value now?—About £1 5s. per acre.

170. If the law is amended the Government might raise the capital value to £2 per acre: you have no guarantee as to what the amendment will be?—Very true.

171. Then, is it not better to stick to what you know than to go in for what you do not know?—I think that every man should have the right to acquire the freehold if he wishes.

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QUEENSTOWN, FRIDAY, 10TH MARCH, 1905.

ANDREW FRASER examined.

1. *The Chairman.*] What are you?—I am a farmer, and live at the head of the lake. I hold 172 acres of freehold and 4,000 acres of leasehold from the Crown under a pastoral lease. I have been twenty years there. The 4,000 acres is purely pastoral, and during the winter I run about fourteen hundred sheep. I keep the freehold simply for turnips for winter feed for my stock and for homestead purposes. The 4,000 acres comprises Mount Alfred.

2. Have you tried any surface-sowing of grass?—No. I would very much like to do so, because out of the 4,000 acres 1,500 acres is light and unproductive. I am positive it could be grassed. If the Government would hold out inducements for a tenant to improve it it would be a good thing. I think the leaseholder should get an extension of lease to the full valuation for improvements. My lease is for fourteen years, and there is about eight years yet to run.

3. You think twenty-one-years lease would be long enough?—I think the leaseholder ought to get the value of the grass he puts in. Grass-seed is very expensive. I think a longer lease should be given, say, for twenty-one years, with valuation at the end of the term for grassing. I think the Rangers ought, to a certain extent, to fix the valuation.

4. It could be settled by arbitration?—Yes.

5. What is your rent for the 4,000 acres?—£15. I think the Government ought to take into consideration that in effecting these improvements I am not only benefiting myself, but am benefiting those who come after me. I think the country is losing a vast amount of money in

this way. Settlers hold in some cases fern land, and in the spring and in a wet climate like this the sheep come down to the fern, and that brings about depreciation in the value of the wool—depreciation to the extent of 1½d. per pound. My sheep are crossbreds.

6. What is the average clip per sheep?—I think the average is about 5½ lb.

7. Can you keep up the quantity of your stock without buying any?—Yes, by simply growing feed for the winter. I could not do it otherwise. There is a very large percentage of deaths in the Wakatipu district. Many deaths are caused owing to the quantity of tutu growing here in the fern.

8. *Mr. McCardle.*] Do you find that it is easy to grass the fern land?—It is expensive, but it can be done successfully.

9. If the Government took this matter into their consideration and agreed to give seed at the beginning of the lease, would that be sufficient to you as a settler to grass your land to, say, within a few years of the term of your twenty-one-years lease?—Yes.

10. In your opinion, would that be compensation sufficient to meet the case?—I think so.

11. You are carrying fourteen hundred sheep on about 4,000 acres. Could you increase that number to a considerable extent if you had the run fairly grassed?—There is not the slightest doubt about it. The fern is up to the bush level—to the level of the winter country.

12. If you were allowed to crop, would your land be suitable for that?—I crop on the freehold.

13. *Mr. McCutchan.*] You acquired a freehold under the deferred-payment. What is your opinion about that system?—I think it is a very good system, indeed.

14. Do you think that people taking up land should have the option of taking it up under that system? Do you think it would be good for the colony and for the settlers?—My opinion is that a man should have the option of taking up land with the right of purchase. But he should prove to the Government or the Board that he is quite capable of going on the land as a settler before he gets the freehold.

15. *Mr. McLennan.*] You believe in the option being granted to Crown tenants?—Yes, in the case of ordinary Crown lands; but not in the case of land purchased under the Land for Settlements Act.

16. *Mr. Paul.*] Do you think there should be any limit to the amount of land held by any one person?—Yes, or otherwise the poor man would not have a chance at all.

17. What do you think would be a reasonable limit?—I think the present limit under the law.

18. *Mr. Austey.*] You said you desired a longer lease. Supposing you had a lease with right of renewal at a rental to be fixed by arbitration, also for improvements—would that be satisfactory?—Yes. It would be satisfactory as long as I got value for the improvements I made.

19. Supposing you had a better tenure, would you eventually put all the land down in grass that was fit for grass?—Yes. A certain amount of care would have to be taken in regard to the grass-seed, in order to prevent noxious weeds spreading throughout the district.

20. Supposing you got some assistance from the Government in respect to being provided with grass-seed, would you be prepared to pay additional rent for it?—My opinion is that we ought to get tested grass-seed at a certain figure.

21. You think the Government ought to provide you with first-class grass-seed at a moderate price?—Yes; something of that kind.

22. Have you any surplus stock for sale?—Yes, a few; but I would not have any if I did not use a portion of my land for growing winter feed.

23. If you had a larger portion of your farm laid down in grass, would you then have any surplus stock to sell?—Yes.

24. *Mr. Hall.*] Is your run generally fern land?—Roughly speaking, about 1,500 acres is fern country, and it is no good at all.

25. Does that apply to other runs besides yours?—Yes. Very nearly all the way to the head of the lake.

26. Have noxious weeds been introduced in grass-sowing?—Not so far as I am aware, but it should be guarded against by proper supervision of the grass-seed.

27. You think that the twenty-one years lease with right of renewal would encourage run-holders to improve their runs?—Yes.

28. *Mr. Matheson.*] What is the class of timber there—is it worth milling?—Red-birch, and it is a good class of timber; but on the dark sides there is very little good timber.

29. Have you ample timber for your fencing?—Yes.

30. What is the life of red-birch as a fencing timber?—I have known it to stand for about twenty-five years. The barrels of the trees are sometimes 2 ft. in diameter.

31. *The Chairman.*] Is there any mining there?—Not much now. It is hydraulic mining.

32. *Mr. McLennan.*] You have some private leasehold land?—Yes, about 172 acres.

33. You grow feed on that leasehold?—Yes. I either have it in grass or in turnips.

34. Do you know that under the present Act small grazing leaseholders are not allowed to cultivate any of their holding for winter feed? Do you think it is advisable to amend the Act so as to enable them to cultivate part of their leasehold land for winter feed?—Yes, provided the land is laid down in English grass afterwards. I think that is very necessary in a high country like this.

35. *Mr. McCardle.*] In your neighbourhood there are some forty-five settlers: under what tenure do they hold their land?—I have been asked by some of the settlers to bring this matter under notice. They have taken up small areas of land under perpetual lease. Some of them have taken up land alongside a river. One man told me that his land had been washed away to the extent of 50 acres, but he is still paying the Government rent and the local bodies rates on the 50 acres which he does not now possess. I think he should be given some redress, and that he should only pay rent and rates on the ground he holds. It is through no fault of his that the land has been washed away.

36. *The Chairman.*] Has he applied to the Land Board?—I do not know, but I said to him that I thought the Board had power to grant him relief.

37. *Mr. McCardle.*] I suppose that is the best land in the holding?—Yes.

38. Are any of those settlers coming here to represent their interests?—No. The notice given them was too short, and they are far away from here. Those settlers who spoke to me were in favour of people having the option of making the land freehold.

39. *Mr. Paul.*] Have you spoken to the majority of the tenants?—Yes.

40. *Mr. McCardle.*] Did they expect the Commissioners to come up there?—Yes, if only to look at the scenery.

GEORGE MCKENZIE examined.

41. *The Chairman.*] What are you?—I have been Crown Lands Ranger here for fifteen years, and have a very intimate knowledge of the district.

42. How are the settlers getting on at the head of the lake?—I think they are rather going back.

43. To what do you ascribe that?—The land is poor, and rabbits have helped to retard things.

44. The land on the flat is fairly good, is it not?—Some of it. On the side where Mr. Fraser's property is it is very good, but towards the Rees River it is very poor.

45. I suppose the settlers must depend more on their stock than on cropping?—Yes. Mr. Fraser gets good crops, but, speaking generally, it is on the stock that the settlers depend as a rule.

46. With regard to Makarora, at the end of Lake Wanaka, are there many settlers there?—There are five, and they are really in a very good position.

47. Is there still a sawmill up there?—Yes, and it employs about six hands.

48. Under what tenure do those settlers hold their land?—Lease in perpetuity and occupation with right of purchase.

49. Are they satisfied with the tenure?—Yes; and they have now got very comfortable places.

50. With respect to the pastoral runs generally in this district, I suppose they are all of the same nature—ferny land and high country?—Yes.

51. Are any of the settlers grassing to any extent?—Two of them have been trying it, but really very little has been done.

52. Up the Shotover there is some very good pastoral country: is that land suitable for cutting up into small runs, or should it remain one large run?—There is one large run there, the lessee being Mr. Baird.

53. Is the bush along Lake Wanaka guarded against firewood-cutters?—Yes.

54. I hear there is a good deal of mining going on at Skipper's?—Yes. It is mostly hydraulic at the Shotover, but there is one dredge still there.

55. Are the quartz-reefs at Macetown still working?—Yes, the Premier Company.

56. I take it from your evidence that the mining is declining?—Yes; but there is some good agricultural land between here and Arrowtown, and some splendid crops have been grown there.

57. Is there anything else you would like to say to the Commission?—With reference to the climate, it is a curious thing that there is so much difference in the date of the harvest to what it was forty years ago. The harvest is now in the month of March, instead of January. Very good crops of wheat, barley, and oats are grown there. I have specially noticed the changes in the seasons. Formerly the summer was very hot and the winter very snowy. The road to Skipper's was usually impassable for six weeks, but that is not the case now. I mention this to show the difficulties which the settlers have had to contend with at different times. During the last eight years we have had splendid showers in the spring, and land that was considered to be useless some years ago has since produced fairly good crops.

58. How are the settlers at Hawea getting on?—I believe the majority of them are getting on very well. The holdings there are mostly freehold. They were originally taken up under deferred payment.

59. *Mr. McLennan.*] Do you not think it would be advisable to amend the Act so as to enable the runholders to cultivate a portion of their holdings to provide winter feed for their stock—of course, subsequently grassing the land?—Yes. I do not see how they could get on otherwise.

60. One witness who had a grazing-run of under 5,000 acres said he was not allowed to grow winter feed?—They are mostly large runs up here.

61. If the small runholders were restricted to cultivating sufficient for their own requirements, do you think it would be a good thing to amend the law to provide for that?—Yes.

62. *Mr. Paul.*] Is it within your knowledge that some runs have been grassed with inferior or dirty seed?—I am not in a position to say exactly.

63. Would you approve of the Government supplying seed?—To a certain extent in the case of struggling settlers. What they want is to have the advantage of the grass they have sown and the improvements they have made.

64. Would you approve of the Government supervising the seed put on these runs?—I think it would be a good thing.

65. *Mr. Anstey.*] I understand that the large run is held by Burnett and Dalgety: is that land suitable for cutting up into smaller areas?—I do not think so.

66. Is it very rough country?—Some of it is poor and some very good.

67. What lease have they?—I understand the lease expires in 1910.

68. You say it is not suitable land for cutting into smaller runs?—I do not think so.

69. *Mr. Hall.*] Is the bulk of the country within a radius of, say, thirty or forty miles only suitable for grazing-runs?—Yes, and pretty large runs too.

70. Do you think the carrying-capacity of these runs could be considerably increased by grassing?—I think so.

71. Do you think there should be some supervision over grass-seed, in order to prevent the spread of noxious weeds?—It would be a safeguard, but there are already noxious weeds in some places.



72. Would it probably induce the holders to improve the runs and be an incentive to careful management if the leases were extended to twenty-one years?—I think twenty-one years would be a very suitable period, if improvements and grassing were allowed for.

73. Are the rabbits increasing or decreasing on these runs?—Decreasing.

74. *The Chairman.*] We have been told that Yorkshire fog is being sown in some places. What do you think of it?—I have heard two practicable men express two totally different views in respect to Yorkshire fog.

75. *Mr. Hall.*] Do you find that Yorkshire fog will often grow on the land that will not grow other grasses?—Yes; perhaps so.

JAMES GEORGE examined.

76. *The Chairman.*] What are you?—District Valuer, and I have occupied that position for seven years and a half. My district is Lake and Vincent Counties.

77. Is the general value of land in this district rising or falling?—It is rising fast in the south portion of Vincent County, on account of the extension of the Otago Central Railway, and there has likewise been a tendency for it to rise here, more especially during the last four or five years, due to the rise in the price of stock. The agricultural land has gone up from 15 per cent. to 20 per cent. I allude to the agricultural land between Queenstown and Arrowtown. There has been a slight increase in the price of land on the Hawea Flat. At the head of the lake, at Glenorchy, the value is stationary. There is very little good land there.

78. Is there much export of grain from here?—Yes; especially barley and wheat. There is no dairying except for local use. There is a desire amongst the settlers and miners to have these runs cut up into smaller areas.

79. *Mr. McCardle.*] Could the large run that has been mentioned be subdivided in such a way as to carry more settlers?—Yes.

80. Have you any idea of the number of stock it is carrying?—I understand between forty and fifty thousand sheep.

81. Have the wants of the settlers been generally met by the Advances to Settlers Board?—Yes, I think so. Of course, they are not all satisfied.

82. Would it not be better to adopt the system that applies to the freehold in determining a man's interest in his lease?—I think so.

83. In a district where these settlers are generally successful, and where properties are bringing in a fair return, would it not be a safe investment for the State to grant an advance to leaseholders up to three-fifths of their interest in the property?—Yes; I think so.

84. I suppose you have seen that Mr. Seddon is advocating that principle should apply in the interests of the settlers?—Yes.

85. Do you not think it would be well that those advances should be kept down to about £500 in any one case?—Yes.

86. Is it not your opinion that where the Government are borrowing money to assist settlers that their first duty should be to assist their own leaseholders?—Certainly.

87. *Mr. Paul.*] Is there any aggregation of estates going on in this district?—No.

88. You value for the Advances to Settlers Department?—Yes.

89. It has been said by some witnesses that the Government look with disfavour on the lease in perpetuity in respect to advances. Have any instances come under your notice?—No. They consider whether the district is a safe one, and whether the lessee is a safe man.

90. *Mr. Anstey.*] Do you think that the present system of limitation of areas is necessary and is the best that could be devised?—I think so.

91. Is there not a great variety of what is called first-class land?—Yes. If you get 640 acres of real first-class land it is enough.

92. Would it not be much better to make a limit as to value rather than to area?—Yes.

93. *Mr. Hall.*] Under what tenure do you think these holdings should be taken up?—In suitable areas as pastoral leases. Small grazing-runs have been very successful at the lower end of the Vincent County.

JOHN EDGAR examined.

94. *The Chairman.*] What are you?—A miner; and I was at one time Chairman of the Lake County. I am engaged in alluvial-mining sluicing. I have been forty-two years in the district. I have property in the borough. As to mining, I think the tenure might be altered to some small extent both in regard to alluvial and quartz. I think the industry and district are languishing from an entire absence of the conditions on which mining areas should be held. There are sections of hundreds of acres held for mining and scarcely any work is being done on them. If the conditions were more enforced it would give a greater impetus to mining. The law is right enough, but the conditions are not properly enforced. I am alluding particularly now to quartz-mines. Agricultural settlement between here and Arrowtown is going on very well, and the pastoral occupation was never better than at present. The population is about stationary. I may add that trout are not doing so well in Lake Wakatipu and its tributary streams, owing probably to the absence of food. There is a pretty steady stream of tourist traffic during the season, from May to November.

95. *Mr. McCardle.*] Do you think that the large runs could be divided so that a larger number of people could occupy the land than at present?—I am afraid this country is too mountainous for small runs.

96. There are some settlements of forty, sixty, and one hundred settlers: are those settlements fairly successful?—Yes.

97. You are of opinion that there is a certain amount of mining land which is being held purely for speculative purposes?—Yes.

98. You think the law should be enforced and that auriferous land should not be allowed to remain idle?—Yes. I suggest the enforcement of the law to a reasonable extent.

99. Are trout becoming more plentiful in the rivers?—There are not so many fish now as there used to be.

100. Was the lake formerly full of small native fish?—Yes.

101. Did that probably form their principal food when they were first put into the lake?—That is the general supposition.

102. *Mr. Anstey.*] Is any useful agricultural land spoilt by dredging or sluicing?—No; the gravel is simply displaced in the river-beds from one position to another.

103. *Mr. Hall.*] Is a large area of the country—the rough country—only suitable for large runs?—I think the runs are about small enough considering the nature of the country.

FRANCIS McBRIDE examined.

104. *The Chairman.*] You are a freeholder and runholder, Mr. McBride?—Yes. I have 600 acres at Frankton Flat and 320 acres at the Shotover. This is all good cropping land. I sometimes thresh 64 bushels to the acre, and at other times not 20 bushels, but the latter not very often. It depends on the dryness of the season. Oats and barley average from 40 to 50 bushels. I hold 1,200 acres under pastoral lease—the block between Queenstown and Frankton. I have about six hundred sheep on that land, and I think that is about as much as it will carry. My lease is for fourteen years. I have tried surface-sowing successfully, burning off and throwing the seed—white clover, timothy, and cocksfoot—on the land. Chewing's fescue grew fairly well on the run at the Frankton Falls. About six years ago I bought nearly 2,500 acres at the head of the lake; 300 acres of that is not of much value. It is all flat land, and is situated between Diamond Lake and the river. I crop a good deal at the head of the lake. I have 100 acres of oats and turnips on the flat. The land up there is generally poor, but there is some good land. My land wants draining and liming. I believe if that were done it would be a good grass land. The lime in the district is of a very superior quality. Longer leases would give a greater inducement to surface-sowing.

105. If the Government gave a twenty-one-years lease and more valuation for improvements, including grassing, do you think that would induce tenants to surface-sow more than they do?—Yes.

106. What is your rent to the Government?—£10 a year, and the allowance for improvements would not pay for the fencing. There is sweetbriar on the land, but we are trying to keep it down.

107. If the Government provided the seed gratis or at a very low price, and gave a reasonable extension of the limit of improvements at the end of the lease, would that be likely to be satisfactory?—I do not know anything that would be more likely to be effective. It soon runs into a lot of money, buying seed. It would be a good thing if we could do away with the fern. It grows in every gully. If there were no fern I suppose you could keep far more than twice the stock. It is good ground and will grow grass if the fern is removed. The winter country is taken up by the fern and the sheep cannot go through it. You can burn it off and within twelve months it is as bad as ever.

108. Immediately after burning, if the land were surface-sown in a suitable season the grass might get a start of the fern?—Yes. It is said that sheep will eat the young fern as it comes up. The grass-seed will sink in the ashes if there has been a burn. I think there is not sufficient improvements credited to the tenant at the end of the lease, and reasonable value should be allowed for improvements and grassing.

109. *Mr. McCardle.*] Touching grass-seed, do you not think it would be better if the Government found the grass-seed and charged you the price and interest on cost and sowing, and you repay during a term of years, and if that term has not expired at the expiry of the lease, then the incoming tenant takes up your position and pays the balance to the Government?—I quite agree with you.

110. Are rabbits much of a pest?—Yes.

111. But you manage to keep them down fairly well?—Yes, with poisoned pollard.

112. How are these small settlers succeeding at the head of the lake?—They have sections of 50 to 100 acres, and I think it is more for a place to settle down on.

113. Have they any other occupation besides that of the land?—Most of them are doing some other work. Some of them have a few cows.

114. *Mr. McLennan.*] You are aware that according to the Act holders of small grazing-runs cannot use any of their land to grow winter feed?—Yes.

115. Do you think it would be advisable to amend the Act so as to enable them to grow winter feed, cultivating only a portion of the land?—I do not think they should be prohibited from cultivating any of it.

116. You think it would be an improvement?—Yes.

117. *Mr. Paul.*] Do you think the Government might help the settlers to clear some of this land? It is a big undertaking to eradicate the fern and sow grass?—That is too big a question for me to express an opinion on.

118. *Mr. Anstey.*] Do you think if the tenants were given better security of tenure—right of renewal with value of improvements—that that would be sufficient inducement to settlers to go on with improvements, such as grassing, &c.?—I think it would.

119. Without the Government actually buying the grass?—I think any one able to afford the seed would buy it themselves if they were allowed compensation for their outlay.

120. Compensation for the value of the improvements at the end of the lease?—Yes.

121. It is security of tenure that you really want?—Yes.

122. Has your experience of the Land Board been pretty satisfactory?—Yes.

123. You do not think the Land Boards would be better if they were elected?—No. I have been always satisfied with the Land Board.

124. What do you think of Yorkshire fog to sow as a permanent pasture?—It is not much of a grass. It will grow in swampy or wettish ground.

125. It would not be so bad as Chewing's fescue?—Any grass is better than nothing.

126. *Mr. Paul.*] Have any instances of dirty seed being sown on these hills come under your notice?—No.

127. It has been represented to us that some runholders buy the "seconds" of threshing-mills and sow them on some of the runs?—I have seen nothing of it.

128. *Mr. McLennan.*] Would you be in favour of giving Land Boards more discretionary power?—I have never considered that.

129. I mean so that they could arrange small difficulties, instead of referring them to Wellington?—I think the Land Board is better acquainted with the district than the officials in Wellington are.

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ARROWTOWN, SATURDAY, 11TH MARCH, 1905.

LUKE HUGARTH PRESTON examined.

1. *The Chairman.*] What are you?—I am Town Clerk of Arrow, of which place I was also Mayor for ten years. I have been in the district forty-two years. I have also been a mining agent in the Warden's Court for some years past.

2. Is there anything you would like to bring before the Commission?—I may state that in recent years I have had a good deal to do with the applications of Gibbstown residents for occupation licenses. We have not been able to get ground granted owing to the runholder claiming the land, and in consequence a large number of farmers' sons, ranging in age from twenty-five to thirty-five years, have been unable to get on the land. They are anxious to take up land. Some of them have left the district, and some are still remaining in the hope that they will be able to settle. I am of opinion that if their wishes could be granted a vast amount of settlement would take place in that district. It seems rather broken country, but these people are quite prepared to put up with that. If the country was cut up into small sheep-runs and settlement also proceeded on the flat land I am sure that the place could carry twice its present population. I am referring to the country that lies all along on the Nevis Range. The country there is prosperous and doing well. The stationholder at Gibbstown, who has refused the request of the applicants, states that he wants that piece of land to let his sheep on, but we are of opinion that when the lease terminates it would be better to cut the country up, and these people are anxiously looking forward to that time. I would also like to point out that the taking-up of small runs in the midst of mining privileges is objectionable, because the two interests are always clashing. Doubtless the land cannot be left idle, but at the same time I think these grazing leases in mining districts should be for a very short term, so that no obstacle may be placed in the way of the miner if he wishes to prospect or mine on them. He is supposed to have free access to them now, of course; but any fenced land is a barrier to a miner who wishes to proceed to work at once.

3. You mean he has to pay compensation if he does any damage?—Yes. The whole district is what is termed a mining district, and you have to consider everything from a mining point of view in allocating these runs. I speak as a miner in a district where mining is the predominant interest. The pastoral interest is not in close proximity to the town or the miners generally, and we look forward to the time when it will be put still further back. I think that the run that is now held by one man will ultimately be occupied by perhaps a hundred people, and when that time arrives the country will be kept clean of rabbits, and our people will not have to drift about as they do now.

4. You understand that a pastoral lease as distinct from a small grazing-run is really the best tenure for the miner?—Yes, because it is a large area; but when that large area is limited to one man he has a great command over it.

5. Do you not think that if it is divided into a series of small grazing-runs there would be still more objection from the miner's point of view?—I think the general community will derive more profit and benefit out of the land, and I think the miners would take up a portion of it themselves. There is such a thing as taking head and tail races through the country, and if the miner took up the land he would have free access to it.

6. Do you think this rough-looking mountainous country could be occupied without being associated with some of the low country?—Yes; there will be individuals who will confine themselves solely to the hill, while others who hold 100 acres or so of flat country will look forward to getting 400 or 500 acres of rough country for sheep.

7. *Mr. Paul.*] Is any good agricultural land being wasted or spoilt by mining in this district?—No. The river has been proclaimed a sludge-channel, but no good land has been dredged away in the Arrow district.

8. *Mr. Anstey.*] Has any good land on pastoral runs been washed away?—No.

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PEMBROKE, SATURDAY, 11TH MARCH, 1905.

ROBERT MCDUGALL examined.

1. *The Chairman.*] What are you?—I am a storekeeper, and have been in business here for thirty-two years.

2. During that time has the district been steadily progressing in the way of settlement, &c.?—Yes; it has been progressing in regard to the settlement of the land in such settlements as Mount  
20—C. 4.

Barker, Hawea Flat, and round the margin of the lake towards Glen Dhu. At Mount Barker the verted into freehold. Hawea Flat is in a pretty similar position. At Glen Dhu there are only pastoral leases. There are small areas of land between here and Glen Dhu that have been settled under lease—perpetual lease with right of purchase.

3. At Glen Dhu the people do not rely on the 50 acres for a living?—No; they work on adjoining runs, and they do laborious work elsewhere. At Makaroara, at the head of the lake, they are engaged in similar work. There are two sawmills at the head of Lake Wanaka.

4. Are there any bushes fit for sawmilling in any other part of your district?—No.

5. With regard to mining, at one time there were very active mining enterprises at Criffel?—Mining at Criffel is now dormant.

6. Is there mining anywhere else?—Only in the Cardrona Valley there is some dredging and some hydraulic sluicing.

7. The county plantation in the Cardrona Valley is very much overgrown: is it in charge of any particular authority?—It is leased to a resident here. The distribution of trees has now ceased. At first we did that to a large extent, and all the plantations in the neighbourhood of the town, and as far away as Roxburgh on the one hand and Arrowtown and Queenstown on the other, were made from young trees obtained from this reserve; also the plantations round all the churches and public buildings came from the same source. But all this came to a standstill owing to the default of one of the officers of the county.

8. It is interesting to hear that the trout in Lake Wanaka are very good, and, for some strange reason, are very bad in Lake Wakatipu?—Quite so. I take it that Lake Wakatipu has been unduly fished in previous years. Even in Lake Wanaka we get a good deal of fishing, and I think there should be some restriction in regard to the use of fishing-nets. A man may pay a license of £2 a year and he may use ten or twenty nets. At present there is no restriction in that respect. We should have a local body controlling Lakes Hawea and Wanaka. Lake Hawea is swarming with fish.

9. *Mr. McCardle.*] You have said that a good deal of settlement has taken place during the past few years: are they farms or small runs?—Chiefly farms.

10. Are they fairly successful?—I should prefer the farmers themselves to answer that question. I am inclined to think that they are not successful in having amassed a great deal of money, but they are successful in that they have better homes and have been clearing off some of the handicaps they began with. They are really progressing.

11. You have a large mass of big runs around you here. Would it be possible to more closely settle these runs by subdivision?—Not much now. There was a reduction of the areas some little while back, but the land will not permit of a great deal more subdivision—that is, with any advantage to the holders or to the district.

12. What is your opinion with respect to the tenure of the land?—As to the question of freehold *versus* leasehold, right of purchase, &c., my own opinion is that the settlers would live more safely and under as favourable conditions under the leasehold system than they could under the freehold system, and they are safer, inasmuch as the Government are, no doubt, more humane than the ordinary landlord or laird. For that reason I favour the leasehold.

13. Have you observed the work of the Advances to Settlers Department in this district?—Yes.

14. You are aware that a leaseholder can borrow up to one-half the value of his improvements?—I know there is a limit.

15. Do you think it would assist the smaller settler in making more improvements if the Government treated him more liberally in this respect than they do at present?—There is no doubt it would help in that direction—that is, if the larger advance is honestly and effectively used. But in my own experience I know that there are cases where the getting of money somewhat easily is not always a blessing.

16. I mean getting a sufficient amount to enable them to complete improvements?—If they are honest it would be a decided advantage.

17. *Mr. Matheson.*] Do you think the Cardrona Valley hills will compare at all at present with what they were when you came here?—They are more sparse now in regard to pasture than they were, largely because of the burning that has been resorted to. Criffel looks very bare, but it is really a most excellent piece of grazing country. I do not think, however, there is nearly the carrying-capacity generally that there used to be. I may add that the district generally is not in that flourishing, buoyant condition it was in some few years ago. That is nearly altogether due to the exhaustion of mining. When I first came here the Cardrona Valley contained probably a thousand miners, and the effect of their working caused an amount of profitable business that does not exist now. There are now not twenty miners working there. The mines are practically exhausted, so far as individual labour is concerned. But as to dredging in the valley, it has really not been properly tested, so that as a dredging locality the Cardrona Valley has been condemned actually without a trial. A good deal of expense was incurred by people who went into the venture in putting up instalments of dredges, and who abandoned their holdings. They never really tested whether the valley has gold or not. In regard to the future prospects of this place, I look upon its position as a scenic resort as being of much importance. We are of opinion that we have an asset in that respect that is worth the attention of the people in the locality, and there are some people who have sunk their money in giving facilities for traversing the lake and getting to various points in the district. The hotel-accommodation for visitors has been increased considerably recently in the belief that it is necessary, and during the season that is now closing we have found it to be necessary. We have had not less than 50 per cent., and probably as much as 75 per cent., more visitors this year than in any previous year. We have a splendid district in respect to scenic purposes, and that, coupled with the excellent climate, makes it very desirable for a home. I may also mention that I, and I suppose others, was encouraged to come here owing to the announcement that a railway was to be made from here to Dunedin. The idea was that the

line would begin simultaneously at both the Dunedin and Wanaka ends, but that line has never been made.

18. *Mr. Anstey.*] Who do the steamers on the lake belong to?—Two of them belong to me. The steamers are all run by private enterprise.

ALLAN ARTHUR BARKER examined.

19. *The Chairman.*] What are you?—I am a small runholder. I hold a pastoral lease of about 20,000 acres. My lease is for fourteen years, and there are six years yet to run. I have been in this district since 1876. My run is at Roy's Creek. We first started with 1,666 sheep, but when we shored them we had only 1,060. We have improved the run until this year we shored 3,100, and we had 83 per cent. of lambs. We have improved the land by ploughing and cultivating—that is, the Glen Dhu Valley paddock of 700 acres. We lost in the first year, and every subsequent year up till last year, about five hundred sheep during the winter. We formerly had no winter feed. The ground is too poor to grow turnips.

20. Do you think it would be possible to surface-sow the hillsides?—There is any quantity of flat land to improve, but we are not encouraged to sow grass, because at the end of the lease we will only get five times our annual rental, which is £38 a year. We paid £370 to the outgoing tenant for fencing alone.

21. You think the Government should give some encouragement, so that you might go on improving the land?—Yes; but we have effected a great many improvements already, and the next tenant will get the benefit of them. We put up three miles of wire-netting fencing and sowed the paddock in grass, and it is in excellent order. When we went there it was covered with fern as high as your waist. The grass-seed cost us about £1 an acre without the cost of ploughing. All these improvements will make it more difficult for us to obtain a new lease when the present lease terminates. We put up a six-roomed house, wool-shed, &c. When we found out that we would get nothing we approached the Land Board, and they said they would grant us 5 or 6 acres round the house at the homestead; but what is the good of 5 or 6 acres under such circumstances? The buildings will be of no use if we have not the run. There is any amount of low flat land that we could plough and put in grass if we got any encouragement, but it will not pay us to put it down in grass owing to our short lease.

22. I suppose in the summer you could carry far more sheep than you do?—Yes.

23. If encouragement was given to you you would cultivate, and be able to go on working up your stock still further?—Yes.

24. *Mr. McCardle.*] Turnips do not succeed well with you?—Not on the run.

25. Have you tried manure?—No; but I am informed that the ground is too hot for it.

26. I am quite sure you could succeed if you tried superphosphates?—Perhaps so.

27. *Mr. Paul.*] You think that valuation for improvements should be given?—Yes. It cost £1 an acre to lay the grass down, and if we were allowed 10s. an acre when we went out it would be something.

28. Do you think there should be any limit to valuation for improvements?—Yes; but the Government do not allow anything in respect to buildings. If they only allowed one-half I think it would be better.

29. Are you satisfied with the length of your lease—fourteen years?—It is not long enough when you improve like we have done.

30. What do you think would be a fair lease?—Twenty-one years. That would give us time to reap the benefit of the grass we have sown.

31. Are you cultivating some parts of the run?—Yes.

32. Does your lease allow you to do that?—We do it.

33. If it does not you consider it should?—Yes.

34. *Mr. Forbes.*] Do you think that if the runholder had the option of renewal of the lease, with valuation for improvements, that that would be an encouragement to him to go on improving the place?—Yes. If we could get the option of renewal for another seven years I would start tomorrow to make improvements. We would lay it down in grass, because we would reap the benefit indirectly.

35. At present it has to be put up to auction?—Yes.

36. Supposing at the end of your term the rent was revalued and you were offered a chance of taking it up first for another fourteen years, and in the event of your not taking it up you were allowed for improvements, would that be satisfactory?—If we were allowed so-much for our improvements, so that we would have a better show than another man to get our run again, it would be more satisfactory.

37. If they offered to give you the first chance, the rent being fair, and you being allowed compensation for improvements?—Yes; that would be some encouragement for us to work the land properly. At present there is no encouragement for us to spend more money during the next six or seven years, because we cannot reap the benefit of it. It takes from £2 to £3 an acre to cut down the high fern and sow the land in grass.

38. *Mr. McLennan.*] As to improvements, would it be satisfactory if you appointed one arbitrator and the Board one, and in the event of a disagreement an umpire should be appointed?—Yes.

39. What sort of grass do you sow?—Timothy, rye, cocksfoot, alsike, red clover, and cow-grass, all mixed up.

40. *Mr. McCutchan.*] Have you sold any surplus sheep?—We sold about nine hundred last year.

41. Have you brought any more on to the place?—Yes. In the first year, when we lost the five hundred, we bought some more.

42. Roughly speaking, what is the return for a thousand sheep in that class of country?—I could not say exactly.

43. Have you tried burning and surface-sowing?—Yes.
44. Did you find it a success?—No. Unless you irrigate the ground it will not succeed. The land is too dry around here.
45. At the time you took up the run you knew the conditions of the lease?—We did not look into the question of improvements.
46. If the Government lay down certain regulations, and a man takes up a run subject to them, is it fair to blame the Government because he does not make himself familiar with the regulations?—No; but I think the Government should encourage industry and should encourage the settlers to improve the land.
47. Is it not just possible that the reasonable rent at which you got this run was due to the fact that there is no compensation for improvements?—When we took up the run we did not go carefully into the question of compensation for improvements.
48. *Mr. Anstey.*] Can you give us a rough idea as to the amount you have spent on improvements since you went on the place?—I am sure we have spent £2,500 in improvements. We have built a large shed and a big six-roomed house.
49. And you paid £370 when you went in?—Something like that.
50. That means your improvements stand you in close upon £3,000?—Yes, if we had full valuation for them.
51. If you were to get valuation for £3,000, practically any one else would be debarred from bidding for the property?—Yes; but we do not expect it.
52. What would you expect as valuation for grassing improvements? Some of the grass has been down five years, and your lease has six years to run: I presume therefore your grass will be run out in eleven years?—Yes, if we let it; but we do not work that way. We do not put stock on it in the summer-time, and so the grass is able to seed and take fresh root-hold.
53. Is your run suitable for subdivision?—It was in two runs when we took it up.
54. Could the property be suitably divided into two runs, with a certain proportion of high country and low country to each?—No, because on one portion there is a good hill, called Rocky Hill, where we can winter eight hundred or a thousand sheep quite easily, and the other portion of the run has only got a small bit of flat land. The shed is on one run and the house is on the other.
55. Then, the improvements could be divided if the runs were divided?—Yes.
56. In regard to cultivation, our information is that you have no right to put a plough into your ground at all, and you might be sued for damages?—We might.
57. Suppose the Government sued you for damages instead of giving you compensation for improvements?—I would certainly leave the country.
58. Do you think you should be allowed to cultivate such portions of your run as are suitable for cultivation?—I think so. I reckon we ought to grow winter feed for our stock if we can do so, and also sow good English grasses.
59. You want the right to cultivate, valuation for improvements, and the rent to be fixed by arbitration?—Yes.

ROBERT STUDHOLME, jun., examined.

60. *The Chairman.*] What are you?—I am a runholder under a pastoral lease for fourteen years. I hold 7,000-odd acres at the mouth of the Cardrona Valley, and I carry about seventeen hundred mixed sheep on it. I pay £10 a year rent, and I have six years of the lease still to run. I paid about £250 to the outgoing tenant for improvements for fencing, and I have since put up a two-roomed house. I have ploughed about 160 acres and put it down partly in grass. We grow a few acres of oats for winter feed. We have no winter country at all, except the small piece of flat ground we cultivate.
61. Suppose you cultivated all the low ground you hold, would that give enough winter feed to correspond with the amount of summer feed on the run?—I think it would.
62. Have you increased your flock since you took up the run?—I started with five hundred sheep and I lost fifty of them the first winter. My average clip is about 6½ lb., and my last lambing percentage was about 72 per cent.
63. You have heard what Mr. Barker said in regard to valuation for improvements, length of tenure, and the fixing of rent by arbitration, and other concessions to give encouragement to tenants: do you indorse all that he said?—Yes, I do.
64. *Mr. McCardle.*] You heard the questions put by Mr. Anstey about valuing the property at the end of the leases: do you agree with that?—Yes.
65. *Mr. Hall.*] Do you think that in future leases compensation should be given for buildings and fencing?—Yes. I would be satisfied with that.
66. Do you think any compensation should be given for cultivating and sowing down in grass?—I do not know.
67. Do you not think that giving a lease for thirty years would meet the case better?—Yes, I think it would.
68. Would it not be difficult to assess compensation for grassing?—Yes.
69. *Mr. Anstey.*] Can you give us any idea of the sum you have spent on permanent improvements?—I would say, £150 for fencing and buildings, and about £250 on water-races for irrigation purposes.
70. Are the water-races permanent?—They are constructed of iron fluming.
71. That means that, with the £250 you paid on going in, your improvements represent £600?—Yes.
72. Then, the interest on your improvements is a much larger sum than the rent you are paying?—Yes.
73. Suppose you got full compensation for these improvements and a better tenure, would

you be prepared to pay a considerable increase in your rent for these advantages?—It would depend. If a person got a longer lease he could pay a little more rent.

74. If you got a renewal of your lease at a rent to be fixed by arbitration, you would practically have an unlimited lease?—Yes.

75. Would you be prepared to pay a reasonable increase in rent for these privileges?—I would.

ROBERT STUDHOLME, sen., examined.

76. *The Chairman.*] What are you?—I am a farmer and Crown tenant. I hold 150 acres under lease in perpetuity and 184 acres on perpetual lease. I have been here since 1871. I have held the lease in perpetuity for two years, and I am paying 4 per cent. on a capital value of 10s. per acre. I have held the perpetual lease for sixteen years, and I am paying 7½d. an acre for it. These sections adjoin each other, and they are a little back from the Cardrona Road. I used the land principally for grazing?—It is not good enough for cropping.

77. Have you any remarks to make about your leases?—I consider both the lease in perpetuity and the perpetual lease are tenures that cannot be improved. I think they are the very best leases the country could give us.

78. Have you any desire to make them freehold?—Not the least.

79. We have had a lot of complaints from Crown tenants that they have experienced great difficulty in borrowing on the lease in perpetuity: have you had any trouble of that kind?—No. I have never required to borrow. I should not like to borrow on a lease. I would like to say that I am on Block 3, Lake Wanaka, which was surveyed and cut up and offered for small settlement on deferred payment, perpetual lease, and for cash about twenty years ago. This block was supposed to be kept for settlement, but I am the only settler on the block now, and the whole of the rest of the block has been bought up by one person, and by that means the little settlement of Pembroke has been killed. The block lies between here and the Cardrona River.

80. *Mr. McCardle.*] Would you favour an amendment of the Land Transfer Act which would prohibit any one man from holding more than a prescribed area, and so put a stop to this aggregation of large properties?—Yes. This aggregation is the ruination of the country.

81. You realise that the district has suffered considerably through the loss of these neighbouring settlers?—Yes; the place is all shut up because the surrounding sections have been bought up by the runholder.

82. *Mr. Paul.*] How many settlers went on the block after it was cut up?—No one but myself.

83. And the stationholder got the rest?—Yes.

84. *Mr. Forbes.*] Was this settlement offered to the public?—Yes.

85. And did not the public take it up at all?—Nobody but myself took a section of it.

86. Was the rent too high, or what was the reason?—They were not able to take it up, but since then we could have had a dozen families on it.

87. Then, the Government sold the rest of the block for cash?—Yes.

88. And you think it would have been very much better if they had let it for a certain term, and perhaps offered it again?—Yes. That is what we expected would have been done.

89. You think it was a very great mistake to sell it for cash to one man?—Yes. It has crushed out the little settlement here altogether.

90. How long ago was this settlement offered?—About twenty years ago.

91. Was the land fit for small settlement?—Yes; well adapted. It is good flat land, and every bit of it could be ploughed, and the river is there to irrigate it. It is useless without irrigation. I think I have a very poor section, and yet I can make a very good living on it.

92. Do you think it would be a good thing if the Government repurchased the land and offered it for settlement?—Yes, that is what is required.

93. *Mr. McCutchan.*] The block was surveyed four years before you selected your one section?—Yes.

94. Did this runholder buy for cash every allotment in the block then or afterwards?—As soon as ever I went on to the corner section a dummy was put up to buy the two sections adjoining me, and I was jambed in there with 184 acres of poor country. They bought after I took up my section. I applied to the Land Board for a section, but I could not get them to do anything at all, and I could not get any land on the block until I just took the bull by the horns and settled on this allotment. I was there nearly a couple of years before I could get a title to it.

95. *Mr. Anstey.*] Who bought up these sections?—Mrs. Turnbull, I think, is the owner of the station.

96. What is the size of the adjoining station?—I should think about 50,000 acres, perhaps more.

97. Have they any front country to that station?—Yes, 3,000 or 4,000 acres of good flat country.

98. Besides these other 3,000 acres?—Yes. They are on the same flat.

99. How many years is it since they bought up these sections?—They got some about three or four years ago. They have been picking them out as they could get them.

100. The sections were open, I presume, for purchase or lease, or under deferred payment, and there was nothing to stop any person from taking them up if they desired to do so?—Just so.

101. *Mr. McCardle.*] You have said you think it would be wise for the Government to repurchase this estate: if that were done would settlers take it up under the Land for Settlements Act?—Yes. I would take some of it up myself, and I know others would be glad to take it up.

102. Is the run of 50,000 acres, held by this stationholder leasehold or freehold?—It is a pastoral run.

103. How many acres of flat do they hold in that run?—About 2,000 acres.

104. And about how many acres of flat do they hold altogether?—Not less than 3,000 acres, and from that up to 5,000 acres.



105. *Mr. McCutchan.*] If the block was surveyed twenty years ago and the last sections were purchased about four years ago they must have been purchased under the Land Act of 1892?—Yes.

106. I understood you to say Mr. Turnbull holds a very large area of freehold land?—He holds the whole block.

107. Is that land classified as first- or second-class land?—Second class.

108. Then, he has a right under the land laws of the colony to acquire 2,000 acres of second-class land?—I do not know.

109. Was the land which was recently acquired purchased direct from the Crown in his own name?—I think it was purchased in Mrs. Turnbull's name. In regard to the constitution of Land Boards, I want to say I would like to see them representative. My reason is that we want proper representation. I think three-fourths of the Otago Land Board should be composed of good practical settlers.

110. As a matter of fact, have not the members of the Land Board generally been farmers, and are they not so now?—I think the present members are far too old. Some of them have been a third of a century on the Board.

111. *Mr. Anstey.*] Supposing these Land Boards were elected, how would you propose to elect them?—I would like to see three-fourths of the Board composed of practical settlers taken from different parts of Otago.

112. *Mr. Matheson.*] Suppose each County Council in the land district had the right to nominate a man, and from these names the Government had to appoint two members, do you think that would be satisfactory?—Yes. I think that is just what the country requires.

113. *Mr. McCutchan.*] And you would leave the nomination of the other two members in the hands of the Government?—Certainly.

ROBERT MCDUGALL further examined.

114. *The Chairman.*] What is it you wish further to say?—I wish to refer to the block of land mentioned by Mr. Studholme, sen. It is a block of land that the townspeople attempted to have added to the land here for close settlement, but on the introduction of an Act by Mr. Richardson, the then Minister of Lands, giving the option of deferred payment or perpetual lease or purchase for cash, the then manager of the run, Mr. Robert Stewart—the run was not owned then by Mr. Turnbull, but by a Scotch company—got a man named Henderson to apply for the sections in town, and the whole block was simply dummied. It consisted of some 300 or 400 acres. I remember sending a telegram to the then Surveyor-General, protesting against the alienation of these 300 or 400 acres, because they were really the best agricultural land about here. We had fought Mr. Campbell, the runholder, in the Court at Dunstan, and prevented him from acquiring the sections, and then they were bought by Mr. Stewart, and the whole settlement was cramped. That would be about twenty years ago.

114.A I have no recollection of receiving such a telegram?—I sent it, because it cost me nearly £2. My endeavour was to prevent this land falling into the hands of the runholder.

ANDREW MCDUGALL examined.

115. *The Chairman.*] What are you?—I am a steamboat proprietor, and also Crown Lands Ranger for this district. I have held the latter position about six years.

116. You have heard the reference to the dummied of the land here: have you any knowledge of it?—No; it was before my time.

117. You heard what the runholders said about improving their runs: do you agree pretty well with what has been said?—A certain amount of what Mr. Barker says is quite correct, particularly in regard to cultivating and putting down in grass and giving a longer tenure. I certainly agree with that.

118. Is it your duty to report anything you see that is irregular?—Yes.

119. Of course, cultivation is not allowed under a pastoral lease, but I suppose when a portion is converted into grass land you would not think it worth while to report that?—I would be bound to report it, but I would think it justifiable all the same.

120. Is the rabbit-pest being kept under?—Yes. Generally speaking, I think they are decreasing.

121. Is all the country up the west side of the lake under lease?—Yes, except one run at Mount Aspiring.

122. *Mr. McCardle.*] You have heard the statement made by Mr. Studholme about these sections having been recently purchased: who is occupying the land now?—Mr. Turnbull holds the sections.

123. Do you remember these sections being sold about four years ago?—Yes.

124. Was that land thrown open in such a way that the public knew it was open for selection?—Yes; it was generally known.

125. If there was a demand for it, how do you account for the fact that it was not applied for?—I cannot answer that. There is no reason for it.

126. When you say that the people knew, were the plans advertised in the usual way?—Yes.

127. *Mr. Hall.*] Do you find noxious weeds increasing in the country?—Not so far. They are pretty well kept down by the Stock and Rabbit Inspector and the County Council.

128. *Mr. Forbes.*] You heard the evidence about this block being suitable for close settlement: if your opinion was asked would you recommend that the land be cut up for small settlement?—I do not think it is suitable unless it is in fair-sized blocks of, say, from 500 to 600 acres.

129. That is the land you heard described as having been set aside for small settlement and purchased by Mr. Turnbull?—Yes. The land is not very good, and it wants irrigation. Anything less than the size I have named would hardly keep a family.

130. *Mr. McCutchan.*] You recollect the purchase by Mrs. Turnbull of some 300 or 400 acres within the last four years?—I remember her purchasing, but I do not know the quantity.

131. From your position you have some knowledge of the law: is it not the case that a married woman in her own right can take up 1,000 acres of second-class land under the Act of 1892?—Yes.

132. You heard the charge of dummyism levelled against Mrs. Turnbull in this connection?—Yes.

133. If Mrs. Turnbull has taken up this land legally that charge cannot rest against her, and the fault would be in the Act and not in the person who took up the land under the Act?—That is quite right.

134. You state that block requires to be cut up into 500- or 600-acre sections to enable a man to make a living: was it in much smaller areas under the original scheme?—Yes; and that has been the fault in dealing with the country round the lake. The sections have been too small; 50 acres will not keep a family.

135. *Mr. Anstey.*] Suppose the land was surveyed now in fair-sized blocks, do you think it would be taken up?—I am sure it would.

136. Either the people did not want the land five or six years ago or it was cut up into unsuitable areas: which was the reason?—Unsuitable areas.

137. If it had been cut into suitable areas at that time would it have been taken up, do you think?—Yes.

CROMWELL, MONDAY, 13TH MARCH, 1905.

· THOMAS McWHIRTER examined.

1. *The Chairman.*] What are you?—I am station-manager of the Morven Hills Run, and I have been over ten years in that position. The lessees are Captain F. J. Dalgety and Mr. W. Burnett. The term of the lease is for fourteen years from March, 1896, and the area of the holding is about 320,000 acres. This season we have shorn forty-two thousand sheep, principally merino, but there are a few halfbreds. We have about five hundred head of cattle and some station horses.

2. What is the average clip of wool per sheep?—In ordinary seasons about 7 lb., and a shade over that after a good winter. The average percentage of lambing for some years past has been about 50½. The proportion of ewes is fully one-third. We have not been able to keep up the flock without purchasing in late years owing to snow-storms. We have had to purchase over twenty thousand sheep within the last ten years. The rent is £2,750 per annum. Our losses, owing to severity of climate and from other causes, are very heavy.

3. Did you sell any sheep during the last twenty years?—Yes; about ten thousand sheep in ten years. The winter of 1895 and the winter of 1903 were exceptionally bad. In the winter of 1895 we lost fifty-five thousand sheep, and in 1903, thirty-one thousand. In 1899 we lost fifteen thousand.

4. At present you have not nearly such a large flock as you used to have?—Only about one-half.

5. I suppose you have plenty of feed, except in the winter?—We have not a corresponding portion of low country to the high country. We were authorised by the Land Board to grow feed for stock, which we have done to some extent. We have put in 300 acres of turnips this year. We have about 1,500 acres of freehold at the terrace where the homestead is. There are patches of freehold scattered all over the run. On the leasehold we have about 150 miles of fencing. The run is divided into about twelve different blocks.

6. If you had more subdivisions you would be able to bring more sheep down from the mountains before the winter came?—If more subdivisions were made it would lessen the loss by snow, and would be otherwise advantageous in working the run. The rabbits are still a source of trouble and heavy expense, but they have been very much reduced since I came here. We adopt winter poisoning with pollard, and have traps and ferreting in the summer. The ferrets do not stand the severe climate very well. In fact, they have practically disappeared. Weasels and stoats are increasing, but ferrets are practically useless. Weasels and stoats are fairly effective in the high country where there is no trapping.

7. Did you ever try surface-sowing grass?—Only to a very small extent; but I am satisfied that it would do if done at the proper time of the year.

8. Of course, the grassing would be practically on the lower hills?—Yes, or in most gullies.

9. Over such an enormous territory have you any other homesteads?—Yes. We have the original homestead near the Lindis Pass, where most of the shearing is done.

10. As representing your chiefs and holding the position you do, would you like to make any statement to the Commission? I understand that, owing to the great losses of sheep, the run has not been payable?—No. It is quite impossible for it to pay under the present conditions. You are probably aware, and it is pretty well understood, that the owners have applied for relief in a reduction of rent, but up to the present time they have had no definite reply. I understand it has been left to this Commission to inquire into the circumstances. I was authorised to come here and represent the position of affairs, and especially if you wanted information with regard to regrassing, &c. There is another matter I might mention. On the opposite side of the river in old days a considerable proportion of the low country was well grassed. The grass has, however, disappeared, owing to various causes, such as rabbits, burning, and overstocking. A fungus growth called lichen has taken possession of a great number of the dry places, where it spreads like a ringworm, and now a great extent of country is covered with this growth. I think that something should be done in respect to this matter, and already valuable time has been lost. There should be regrassing of the country and subdivision.

11. You have an enormous territory?—Yes; but there is only one-fourth of that I can describe as winter country. Only about one-fourth is below the ordinary snow-line. The only way of improving the country is by regrassing and subdivisions.

12. Of course, you can hardly say what it would cost to surface-sow grass per acre?—It could only be done in straggling pieces.

13. What kind of grass did you sow?—I tried cocksfoot and Chewin's fescue, and they both took. The cocksfoot seemed to do better than the other. I think that in many parts of that country it would be better if couch-grass were sown.

14. Do you not think there is a danger of it spreading over the better land?—I do not think so. It is a quick-spreading grass, and binds the ground. I think couch should be tried on the bare country. My impression is, and I have held the opinion for a very long time, that it would almost be advantageous for the State to supply grass-seed, on condition that the tenant sowed the seed at the proper time. This work might be done under the supervision of the Crown Lands Ranger. My reason for saying that is this: that it is not only an individual benefit, but in a few years it will become a benefit to the State, because the country will then carry a third or a half more stock. Of course, it might benefit the individual for a few years while the lease lasted.

15. *Mr. Paul.*] I suppose you have thought out the other methods whereby this land could be improved without State aid? You think State aid is absolutely necessary?—I think in such a property as I have been speaking of it is necessary. I think the only way in which the object could be obtained in another manner would be by giving a very long lease, with valuation for all improvements, including surface-sowing.

16. What is the total length of your lease?—There is another six years to run from the present month. The lease is for fourteen years.

17. You are convinced that there would be no danger to the State being involved in the expenditure of such a large sum of money, and perhaps losing it?—I do not think so.

18. Of course, it seems absolutely necessary to restore the productive power of this land in some way?—I think it would be one of the best investments the State could possibly make, and that the system should be applied to Central Otago as a whole—that is, from Waitaki to Central Otago—especially to places with northern slopes.

19. If the grass-seed were supplied and were sown under the supervision of a Government officer you would have no objection to regulations being drawn up in order to prevent the land being eaten out again, just the same as it has been in the past?—Certainly, we would have to conform to that. I think that would be a wise course. I think that all graziers and pastoralists are alive to the mischief that has already been done, and I do not think they would like to repeat the performance of overstocking.

20. There is only the danger in the last few years of a lease of a tenant taking all the improvement out of it?—I quite realise that, but I think there would be no objection to the tenant agreeing to any such saving clause as that.

21. You are convinced that this would be in the interests of the colony and the lessees?—Yes; and I have been of the same opinion for very many years.

22. *Mr. McCardle.*] It is a very huge property you have to manage: would it not be possible to subdivide that property to advantage, in order to bring it more within the control of one manager or several managers?—Yes; it might be. But, on the other hand, you will perhaps recollect what I have just said in regard to the nature of the country—there is such a huge proportion of it fit only for grazing in the summer. There is only a limited area fit for stock-carrying in the winter. There is no doubt that some of the lower portions could be disposed of to advantage by subdivision, but what is to become of the country in the back?

23. As to your proposal of the Government supplying grass-seed, you would sow the seed in a steady and progressive manner?—Yes; it would have to be a gradual process.

24. If the Government were to supply seed in that way, do you not think it would be a fair thing that they should charge a small amount on the price of the seed in the way of interest to recoup them for the expenditure?—I think that would be quite reasonable.

25. You say that some of the flats are almost denuded of grass?—Yes.

26. Would that land grow turnips?—Not without irrigation.

27. I am certain if it were properly watered it would grow turnips?—Yes. In the early days it was covered with grass.

28. And the present position has been brought about through overstocking and burning?—Yes.

29. Have you much fern on your land?—No; only a small portion facing Hawea Lake. The rest of the land is not ferny country. The rabbits have been well kept under. We have got no ragwort and very little Canadian thistle.

30. It has been said that ragwort is fairly good sheep-feed. In the North experiments have been made, and the general opinion is that it poisons numbers of sheep and cattle?—I would not like to see it here.

31. In reference to sowing grass, what do you think of this alternative: the lessee providing grass-seed and the State giving him the right of renewal, with compensation for improvements, to be fixed by arbitration? Would not that obviate any possibility of loss to the State, and be satisfactory to the tenant?—I stated that the only other course to induce the tenant to improve would be to give him a longer lease, with compensation for substantial improvements.

32. Would that be equally satisfactory to you?—I think so; and I have heard others express themselves in the same way; but we want a lease for a greater length of time, with valuation for improvements.

33. *Mr. Anstey.*] Would there be any objection, providing you got a secure tenure—that is to say, right of renewal and value for improvements, to be fixed by arbitration—to a certain proportion of grassing annually, to be compulsory on the tenant?—I have not looked at the question from that point of view, but I do not think I could agree to a lease making it compulsory until it was proved that the thing should be done in proper season.

34. In that case you would obtain very favourable leases with no responsibility attached to them?—There is a heavy responsibility apart from that. Any one holding such country as we have got has a responsibility in itself.

35. But supposing you were given a much more favourable lease, would there be any objection to being compelled to grass, &c.?—There would not be any objection provided the provisions were reasonable.

36. What was the largest number of sheep shorn on the station in one year?—To my own knowledge, 110,000.

37. Has the reduction been caused chiefly owing to rabbits and the winter losses?—The winter losses.

38. In such a large run have you the proper conveniences for avoiding these winter losses?—Yes. We have fences to get the sheep down to a safe point; but in some years the low country is worse than the high country. I have seen 2 ft. of snow along the Clutha River, and it lay on the ground for six weeks. We have a huge army of rabbiters, all employed in case of such an emergency, trying to save the stock.

39. You said you cultivated 300 acres of winter feed?—Yes; principally turnips.

40. That seems a trifling amount to grow for such a large run?—In that case turnips were of no use for six weeks, and we had to feed the sheep on hay and oats.

41. How much hay do you grow annually?—300 acres; but the crops are very light indeed.

42. You said that in subdividing the run some of the best country could be subdivided, but what are you going to do with the high country? Could it not be subdivided so that each could have a portion of it?—The configuration of the country is such that that could not possibly be done. I have looked at the run with that object in view, and I do not think it is possible.

43. You say there is a very small proportion of low country. I think we passed some of the worst country on the road to-day; but in one case, on the other side of the fence, we saw some beautiful crops of grass, which it seemed required simply irrigation?—Yes; very likely.

44. Could you not irrigate a portion of your land?—The water question has been a trouble to us. Lately we applied for a water-right with that object in view, and the intention is to grow hay, lucerne, or clover for winter use, and we have already applied that to a small extent.

45. Could not that also be done in the case of smaller areas?—No doubt; but the water question is the trouble.

46. Judging from the sample I saw coming along the road, I should think the land would probably grow twenty or thirty times as much after irrigation than before, so that your 200 acres of turnips might turn out better if the land were irrigated?—Yes; but it is a great expense to irrigate.

47. Is it very dry here during the summer months?—Yes, as a rule. It depends on how the autumn rains come.

48. Do you think if the Government undertook the making of greater plantations some improvement might be effected?—Yes. I believe it was a great mistake that greater plantations were not made twenty or thirty years ago.

49. Might it not be wise for the State to undertake a certain amount of planting?—Yes; I think it would be a most wise thing.

50. *Mr. Forbes.*] You said the rent you are at present paying is too much?—Yes; there is no doubt about it.

51. You have applied for a reduction of rent?—Yes.

52. The matter is now under consideration?—I understand so.

53. The land is capable of carrying more than it is at present?—Just double, I reckon; but the price of sheep at present is prohibitive, and in the existing unsatisfactory position it would not be judicious to buy.

54. In regrassing the greatest danger is from the grass being eaten out?—Yes.

55. Do you not think, in the event of the State assisting in regrassing, that it should have something to say with respect to the number of sheep?—Yes; I think that would be quite reasonable.

56. *The Chairman.*] Do you know if your principals got any relief from the Government in 1895?—Yes. The rent was reduced from £4,500 to the present amount, and the length of the lease was extended. Before that the runs fell in at different periods, but they were then all made so as to terminate at one time. There is another matter I would like to mention—namely, in respect to the scattered freeholds over the run. That question was brought before the Minister of Lands, but has not yet been dealt with. There are quite a number of small pre-emptive rights of 11½ acres scattered over the Morvern Hills. Under the present law there is no power to exchange them with leases elsewhere which could be irrigated. I think the law should be amended so as to enable the Minister to agree to the aggregation of these pre-emptive-right sections into one block, so that the lessee might improve his freehold by irrigation or other expenditure. These leaseholds are at present practically of no value whatever. I think also that compensation should be allowed for substantial improvements in irrigation and grazing.

57. *Mr. McCutchan.*] What is your opinion about the constitution of the Land Board?—As far as I have seen, I do not really think there could be much improvement made. They seem to discharge their duties very well.

58. Do you think the nomination of members of Land Boards should continue to rest with the Government?—I think so. I do not think it would be any advantage to change it.

59. *Mr. Paul.*] Do you think valuation should be allowed for grassing?—Yes. Of course, the lessee does all the labour. It is suggested that he should pay a portion of the cost of the grass-seed as well. I think if I had to go to the expense of regrassing a considerable portion of the country and fencing it, and then if I were to leave it, as it would bring in a higher rent to the State I think it is only right that I should receive the first consideration.

60. No doubt you see the great difficulty there would be in fixing the valuation of regrassing?—Yes; but I think that could be arranged.

JOHN H. WERNER examined.

61. *The Chairman.*] What are you?—I am a mining and land agent at Loburn, and I also run a dairy farm. I have been in this district since 1863, and have been a mining and land agent for fifteen years. I was for seven years engaged in dairy farming before I became engaged in the mining business. I would like to draw the attention of the Commission to the present tenure of settlement in Central Otago. Many of the runs in this district, such as Morven, Pisa Hills, and all the big runs, are leased by the Government, and the Government cannot alienate the land during the currency of the lease. The only way to acquire land—and that is only in small areas—is under “The Mining Districts Land Occupation Act, 1894.” Under that Act an applicant can only hold 100 acres, including any land he may hold under any other tenure. It is impossible for a man to maintain a family on such a small piece of land. Irrespective of the small area, there is another drawback, and that is the compulsory-residence clause. That means that if you have grown-up children and you take up land under this tenure the family has to separate, and the members of it take up other land. Furthermore, the holder of an occupation lease under the Act cannot get an advance from the Advances to Settlers Department. So that an applicant on the goldfields is placed in a different position from an applicant for land anywhere else in the colony. I have more applicants going through my hands than any one else here, and there is only one instance where an application has passed through without opposition from the runholder. The opposition of the runholder has some reason in it, because there is no allowance for the land taken away—that is, in respect to his rent. An applicant has to advertise before he knows whether he will get the land or not. That is a great hardship, because his application may be thrown out and the money he has expended is wasted. The remedy I propose is that the Government should try and arrange with the runholders that areas up to 320 acres for each applicant could be taken from runs of over 100,000 acres, and lesser areas from smaller runs, the whole area taken not to exceed a twentieth part of the land during the term of the lease. I think that land carrying seven thousand sheep or less should be exempt from interference if the lessee is residing on the land. I think that full compensation should be provided by giving the runholders the rents from the land taken out of their runs during the currency of their lease, after deducting one-third for roading. Perhaps you are aware that there is an accumulated fund derived from land taken under the Mining Districts Land Occupation Act, and I think that half of the rent should go to form a second fund to provide for compensation if the land is taken for mining. This accumulated fund has never been touched yet, nor is it likely to be, because there have been no resumptions either here or elsewhere. I propose that this fund should go towards recompensing the runholder for land taken. I also propose that the enforced residential clause should be done away with. There is no necessity for it nowadays. I was secretary of the Conferated Miners Association when the Act was passed, and I had a communication from the Hon. John McKenzie, the then Minister of Lands, who stated that the clause was necessary in order to prevent runholders employing dummies and picking out the best pieces of land. I do not think there is any danger of that now. I also think that lessees under the Mining Occupation Act should have advantage of the Advances to Settlers Office. The security is just as good as any other leasehold, because they get compensation for improvements the same as a lease-in-perpetuity holder.

62. Does the Act say that they shall be debarred from applying to the Advances to Settlers Office?—No, but the schedule of tenures to the Act does not include land held under the Mining Districts Land Occupation Act. I also wish to draw your attention to another hardship—viz., that the survey fees are not credited to rent. They used to be until the Act was amended last year.

63. *Mr. Paul.*] What would this land be used for under the Mining Districts Land Occupation Act?—For agricultural, horticulture, and pastoral purposes.

64. Do you hold any area for that purpose at the present time?—I hold some freehold and some leasehold under the Mining Districts Occupation Act, and an occupation license under the Mining Act of 1886.

65. What is the area?—Under the Mining Districts Occupation Act the maximum is 100 acres.

66. You say the maximum is too small?—Yes. I propose it should be 320 acres, and I think that is little enough in this country.

67. You propose to make the maximum 320 acres when a run is above a certain size, and then it will be gradually reduced according to the size of the run?—Yes. I should think it would be a great hardship that a man holding a small run should have his land all taken from him.

68. *Mr. McCardle.*] You say you would limit the amount of land to be taken out of any one run to 5 per cent. of it?—Yes, of runs carrying over seven thousand sheep. I mean that an area could be selected until such time as 5 per cent. of the run was taken away, and then no more land could be taken from that run.

69. Do you not think that the proposal you make, if largely availed of, would destroy the large runs, and that all the low country would be taken up and nothing but the mountain-tops left?—I can assure you that the lower country is more barren of grass than the hillsides.

70. You know this large run that has been referred to?—Yes.

71. In your opinion, could this run be subdivided to advantage?—You have already had the evidence of Mr. McWhirter on that point; but I know that if the Pisa Run was cut up to-day and leased in 8,000- or 9,000-acre blocks it would soon be taken up. I am prepared to go in for some myself.

72. Your experience has been that the Advances to Settlers Office does not advance on leases under the Mining Districts Occupation Act?—That is so.

73. You are aware that when they do advance it is only up to 50 per cent. of the actual value of the improvements: in your opinion, as a land agent, would it be safe for the Government to advance up to three-fifths of the value of a leaseholder's interest in any section?—I should say so.

74. *Mr. Anstey.*] In proposing that settlers in these mining districts should have the right to take 320 acres of large runs, do you propose that they should have the right of free selection?—

Yes; where they like. Of course, it would be subject to the approval of the Land Board before being granted.

75. You heard what Mr. McWhirter said, that they had not now sufficient winter country on these large runs: supposing you allowed free selection, would that not most likely spoil the back country?—No. The best sheep country is on the sidings, and not on the flat country.

76. But if they had free selection as you propose, would they not take the sidings?—No; they would take small areas for agricultural purposes, and therefore they would take the flat country that could be irrigated.

77. Do you think there is plenty of low country for these back runs, supposing 5 per cent. of the run is taken away?—I think so. I think the necessities of the people should be taken into consideration as well as the runholders. That it all.

78. You say that a man should be allowed to take 320 acres out of a run of a certain size wherever he likes: under your proposal could not a man take a strip of land 1 chain wide right along the river or road frontage, and so spoil the runholder's property?—A man could not take up a holding unless it was in a square block. No surveyor would cut out 320 acres in the way you suggest, nor would the Land Board approve of it. The application has to receive the approval of the Land Board.

79. *Mr. Hall.*] Do you not think it would be a great loss to the country if these runs were damaged or made less valuable than they are at present?—I think there is room for both parties with proper management.

80. You do not think the runs would be seriously damaged?—I think if the runholders got the compensation I propose they would be in pocket if anything.

81. The general opinion expressed by runholders is to the effect that they require a considerable portion of low-lying ground for winter feed?—Yes, but they could not provide feed for winter without growing it.

82. They can only grow it on the flat country?—They could only do so by ploughing. You cannot surface-sow in this climate without water.

83. Would it not be a great loss to the country if these runs were damaged?—I do not think so.

84. Is not the export of frozen meat a matter of great importance to the colony as a whole?—There is no export of frozen meat from this country, nor is there likely to be.

85. These runs are the only means of breeding merino sheep, and the supply of merino sheep to the low country is the only means of keeping up the quality of mutton fit for export: therefore, would not the loss of these runs be a serious matter for the colony?—I do not think so. If the great runs were broken up I think they would very soon be occupied. The rising generation are looking for land, and what are they to do if these runs are not cut up.

86. *Mr. Forbes.*] Is there any demand for land by the people here?—Yes. I applied to the Land Board on behalf of a settler for 100 acres of the Morven Hills Estate, and they said they could not grant the application without the consent of the runholder. I then wrote to Messrs. Dalgety and Co., and received the following reply:—

“Dunedin, 25th January, 1905.—DEAR SIR,—We have consulted with the manager of Morven Hills Station in regard to the 100 acres of land that Mr. John Watkins wishes to obtain on the runs under lease in perpetuity. As under the present law a runholder obtains no reduction of rental when land is taken away from him for settlement, but is called upon to go on paying rental on that land until the end of his lease, we have invariably refused applications of this nature, and we must do so, we regret to say, in the present instance. We are not aware that the Government are willing to give any concessions to the lessees of Morven Hills, but, should they do so, we should then be willing to reconsider the application that you have made on behalf of Mr. Watkins.—Yours, &c.,

DALGETY AND Co. (LIMITED).

“Mr. John Werner, Land Agent, Lowburn Ferry.”

It is with the idea of remedying this state of things that I make my proposal. I am not interested in this question, because I can make a living independent of any land. But I have children growing up, and I would like to see them settled on the land here. I know that several people have been driven out of the district through the Land Board refusing applications of a similar nature. The runholders always object and say they want this and that country for winter country.

87. You think if the runholders got a concession in their rent they would be more likely to grant these requests?—I think if the runholders were treated fairly they would treat these applications fairly, and that is why I propose to use this fund in the way I suggest.

88. Do you think the present constitution of Land Boards is satisfactory, or do you think it would be better if they were elected?—I think there should be elective Land Boards with a nominated Chairman. I think there should be two to represent Central Otago and two to represent the other portions of the province.

89. Does not the Board as now nominated represent all parts of Otago?—We have never had a representative on the Land Board since it was constituted.

90. Do you think if the Government nominated men to represent the various districts it would be better than the present state of affairs?—Perhaps so. What I mean is that if a man were sent on the Board to represent this district he would know the requirements of the people and the locality and quality of the land applied for, and he would use that knowledge in deciding the applications. At the present time, if an application comes to me or any other land agent, we make out the application and send a recommendation with it. It is then sent on to the Land Board and the runholder objects, and unless the applicant or his agent goes down he has no show at all.

91. You are not satisfied with the present Land Board because you do not think they go into matters in this district properly?—I believe they are conscientious enough, but I do not think they have the local knowledge. I have also been asked to draw your attention to the advisability of allowing small areas to be taken up as orchards, without compulsory residence, and I recommend that small areas should be granted for this purpose without enforcing residence conditions.

92. *Mr. Anstey.*] Can you give us a rough idea of how much of that flat land on the other side of the river, belonging to the Morven Hills Station, is suitable for settlement?—I cannot tell you the acreage, but there should be more than 2,000 acres suitable for settlement.

GEORGE COCKBURN examined.

93. *The Chairman.*] What are you?—I am a miner, prospecting at present. I also hold 20 acres of freehold land near Queenstown. I came here in 1870, and in 1880 I took up a deferred-payment section at the head of Lake Wakatipu. I went to the North Island in 1890 and came here again in 1897. I have a prospecting license for 40 acres now, but we have not succeeded so far.

94. Is there anything you wish to bring before the Commission?—I have no particular object except to express the opinion of the settlers about here. My own experience at the head of Lake Wakatipu under the deferred-payment system has proved to me conclusively that it is a mistake to ask a man to settle upon a cramped area of ground. I was the pioneer settler at the head of the lake, and at that time the land was cut up into 50-acre sections, and I was only allowed to take one up. There was a residence clause in my agreement and I resided there three years, and after a good deal of trouble I was able to secure the two adjacent sections. The land did not pay for cropping, and the area was so small and so badly situated that I could not keep enough stock on it to pay me. I sold out at a sacrifice, and, in fact, every settler who went to the head of the lake with capital then had to abandon his holding. I have very little fault to find with the amended land laws. I think they are very liberal, but there are some points in regard to which further amendments are required. I may state that one thing in favour of the deferred-payment system was that it encouraged a settler to improve his holding and settle permanently on it, and I think every one ought to be encouraged to do that. I do not see how it would injure the State in any way to grant the right of purchase to all lease-in-perpetuity holders.

95. Of course, you are aware that the lease in perpetuity is for 999 years, without any interference at all at the original rent, so that if the original rent is reasonable and the country goes on improving, it would appear on the face of it that it is a very good thing to have one of these leases?—Yes, if it was a permanent arrangement; but under party government one Government might promise to continue this state of affairs and the next Government might propose to repeal them, and perhaps substitute such a thing as revaluation, and that would make a farmer a serf.

96. It could not possibly affect any lease in perpetuity already taken up: the Government could not break an existing contract?—I do not know. You are aware that they have taken land compulsorily for settlement purposes, and the same principle is involved.

97. I gather from your remarks that you think a lease in perpetuity with revaluation would be unfair, and would make the settler subservient to the powers that be?—Yes. I am very strong on that point. There was a good deal in what Mr. McWhirter said, but I do not agree with some of his conclusions. I think when the time comes these large runs could be worked with more advantage to the State and better results for the settlers about here. I think the people requiring land would be better served if the runs were cut into smaller areas. I think that indiscriminate selection in a run would spoil the grazing-runs altogether. I also heard Mr. Werner say that 12,000 acres would keep seven thousand sheep, but I do not know where that kind of country is about here. My experience is that it would take four times that area, and in the Lake Wakatipu district it would take about 70,000 acres to keep them. I have a great horror, after my experience at the head of Lake Wakatipu, of cramping any settler in his operations in pastoral pursuits, or even in farming.

98. *Mr. Paul.*] You think it would be wise for the Government to give the option of the freehold to lease-in-perpetuity settlers?—Yes.

99. Would you apply that to land settled under the Land for Settlements Act?—I think they should have the right to purchase when they are able to, but they should not be allowed to borrow money for the purpose.

100. How could you prevent that?—It would be a trouble to do so. Of course, a settler would have to comply with certain conditions and prove himself a *bonâ fide* settler before he was allowed to acquire the freehold. I think there should be some finality to these leases. It is very seldom you can get a tenant in this colony to observe his contract. If he suffers a reverse or has a grievance he at once comes to the State.

101. Do you look on it as a breach of contract for the settlers under the lease in perpetuity to ask for the freehold?—I do not.

102. Why?—Because I say it would encourage them to make improvements, and would be better for the State. Of course, if there had been no freehold from the commencement, and if the colony had been always settled on socialistic lines, it would be right enough to refuse the option of purchase now. I think the granting of the freehold would make the colony more prosperous.

103. Would it be a breach of contract if the Government gave the freehold to the settlers under the lease in perpetuity who are asking for it?—The Government can do almost anything now. I do not hold with breaking contracts, but, looking at the existing state of affairs, we see it is done constantly now.

104. Would you give the freehold to tenants under the Land for Settlements Act?—Yes. I would give the freehold to every one in limited areas who was *bonâ fide* able to pay for it and use it.

105. And would you give the lessees of educational, Harbour Board, and municipal endowments the right to the freehold?—I have not considered that. There might be special reasons for not doing so.

106. You think it would be a wise policy for the Government to acquire estates and then allow the tenants to have the option of the freehold: do you not think there is a danger of the tenants picking the eyes out of each estate and leaving the Government with the bad sections?—I do not see that it would be any loss to the Government when they had the price of the land in their pockets and were satisfied with the security.



107. Then, you see no harm in the Government acquiring estates and being compelled to part with the best sections in that estate, and have the worst left on their hands?—I cannot see how the thing would work that way. Of course, some settlers will get bad farms and they will have to stick to them under the original conditions; but I think the man who is successful, and who is in a position to do so, should have an opportunity to buy the freehold.

108. Do you see any harm in a certain number of tenants acquiring the best sections of an improved estate and leaving the worst on the hands of the Government?—I do not know that a case of that sort has ever cropped up.

109. Do you not know that it could not have cropped up because the tenants never had the option of the freehold on these estates?—That is so.

110. *Mr. McCordle.*] When an estate is cut up various prices are put on the sections according to their quality?—Yes, I believe so.

111. Should a man who takes up a good section and purchases it be made responsible for the man who takes up an indifferent section and does not purchase it?—No.

112. In granting the freehold, would you be prepared to limit the amount of freehold one man could hold?—Yes.

113. You have already stated you think the time will come when these large runs can be profitably occupied in small areas?—Yes.

114. Do you think that that time to a certain extent has already arrived?—I think so.

115. *Mr. Anstey.*] Could you tell me whether the dredging operations in the Clutha River are likely to cause any damage to the adjoining land? When crossing the punt a gentleman expressed a good deal of fear that the dredging operations would presently so damage the river that it might overflow and spoil the land at the punt?—I think it is possible, but I have not been up there to take any stock of it.

116. Can these tailings be dumped anywhere the dredge-people like?—I think they can dump them wherever they like on their own claim.

117. Would it not be wise to regulate the disposition if these tailings, because the river must be kept open?—I think so, if it was practicable.

118. *Mr. Hall.*] You know that the object of the Government in purchasing these estates for settlement is to break up large holdings, and to enable settlers to get a reasonable extent of land for *bonâ fide* settlement?—Yes.

119. When the Government has pledged the credit of every man in the colony to buy an improved estate, would the Government be justified in selling the freehold again, and running even the most remote risk of a further aggregation of land?—As far as I can find out, the feeling of the people, even those who have land and are interested in the land, is that they are just as much scared at the aggregation of land as the people who do not want the freehold at all. I do not think there is the slightest fear of that.

120. Still, would that prevent people with money, who are desirous of increasing their holdings, from buying out their neighbours and creating moderate estates in the future?—I think regulations could be framed to prevent that. I would not have any aggregation of estates.

121. Of course, the Government could limit the area any one could buy from the Crown, but could they limit the area any one could buy from a private individual?—I think it could be done.

122. You are aware that once land becomes freehold the Land Board have no control whatever over it?—Not at present.

123. You said that encroachment on these big runs would have to be carefully done?—Yes.

124. You mean it is important that these big runs should be maintained for the breeding of sheep?—Yes.

125. Did I understand you to say that people think there is a danger that the Government might upset these leases in perpetuity?—I said it was possible. Of course, they disclaim that kind of thing, but the legislation of the past few years has opened the eyes of the people as to what Parliament can do.

126. Have you ever heard of any action taken by Parliament that interfered with the title to land acquired legally?—Not except the compulsory acquisition of estates.

127. If the Legislature enacted a law to interfere with the title for 999 years, could they not also interfere with a freehold title?—They could. I do not think that there would be any loss by converting the leasehold into freehold, because the Government could tax the freehold to any extent they liked if they were strong enough.

128. You think the most effective means and the least costly method of keeping down rabbits is to give the runholders a good length of tenure, so that they could afford to spend money to keep them down?—Yes; but I think on large holdings it is almost impossible to give the necessary attention. I think that close settlement is the only successful method of coping with the rabbit-pest. I would also like to state that I think the holders of small grazing-runs should be at liberty to cultivate any of their land that is suitable for growing winter feed. It seems to me very hard that a man cannot provide against the winter by being debarred from making use of whatever opportunities his run may give him for growing winter feed. It also seems to me that the amount of compensation for fencing at the end of the lease is a bit scanty. I think it should be more liberal.

CHARLES HOLDEN examined.

129. *The Chairman.*] What is your business?—I am Town Clerk of Cromwell. I have been here six years.

130. What is it you wish to bring before the Commission?—I think that more facilities should be given to small settlers who wish to take up areas of land ranging from 10 to 50 acres for fruit-growing, and, wherever it is possible, for intense cultivation by means of irrigation. I think they should be granted the privilege of non-residence. I think that a man should be

allowed to live in the town and own his orchard out of it, but I would give the first chance of selection to the man who wished to reside on his section. I agree with Mr. Werner that if the runholder got the benefit of the rent for the land taken out of the run he would not be so liable to offer objection to the men who apply for areas out of the run. I have tried to take up land under the Mining Districts Acts for dairying, but I was not allowed to do so.

131. *Mr. McCardle.*] You have a good deal of flat country here?—Yes.

132. It is quite useless at present?—Yes

133. Will it interfere very materially with the runholder if the flats were taken up by the settlers and used for cultivation?—I do not think so.

134. Would you favour the homestead system of settlement in regard to this land?—I would.

135. In your opinion, this worthless country is suitable and could be profitably settled by the State under these conditions?—I do.

136. Do you think that these large runs could be profitably cut up into small runs without doing away with the breeding of merino sheep?—I do. I believe it would be to the benefit of the State and to the benefit of this district generally if they were cut into smaller areas, running from the watercourses right up the hills, thereby giving them both low and high country.

137. You think it would be a success?—I do.

138. *Mr. Hall.*] Have you any knowledge of sheep-farming?—I do not profess to have a great knowledge, but I have farmed sheep.

139. Do you think the breeding of merino sheep on small runs would pay the expense of looking after them?—A man with 5,000 acres could breed merino sheep and keep a thousand on a section.

140. Would that bear the cost of management and shepherding?—I think so, with combined farming on the low land. So far as the rabbit-pest is concerned, I think that its cure is easy communication with the coast and more population. It is also well known that the rabbits like dry ground, and I think if the land about here was irrigated they would clear out.

ROBERT THOMSON JACKSON examined.

141. *The Chairman.*] What are you?—I am station manager of the Kawarau Station. The lessee is the New Zealand and Australian Land Company, and the area of the run is 206,000 acres. We shored 34,000 merino sheep last year. The average clip is about 7½ lb., and it is sometimes 8 lb. The rent is £1,850 a year. The lease is for fourteen years, and there are six years to run. An extension was given under the Pastoral Tenants Relief Act. I have been there about five years. I was formerly manager at Molesworth, Awatere, for six years.

142. Has any grassing ever been done in connection with the run you have been connected with?—We have done a little at Kawarau—about £100 has been expended in grassing, and the results have been pretty good so far, especially last year's sowing, which has taken very well indeed. I sowed grass principally in the gullies and in the shady sides. The northern faces will not take so well, but sometimes it takes fairly well on these places also. The best time to sow is in the spring. We do not burn off. We sow on the bare ground, and after the frost lifts the seed sinks in. At Woodbank and Hammer Plains we did surface-sowing every year, and the results were beneficial. There was plenty of grass and fern there to clear the ground before sowing or burning. I was at Woodbank six years. I should say that the carrying-capacity of Woodbank was thus increased to a considerable extent. The increase in stock was from eight thousand to eight thousand five hundred sheep. I think the five hundred increase quite warranted the expenditure. Another advantage is that, owing to the increased grass, the land carried the eight thousand five hundred sheep better than it carried the eight thousand before the improvements were made. We sowed cocksfoot principally and white clover.

143. There is a difference of opinion about Chewin's fescue: have you any experience of it?—I have seen a good bit of it up here. It grows right enough, but does not seem to carry a lot of feed. It holds the ground well.

144. Could you suggest anything in the way of encouraging tenants to make improvements by giving them secure leases, or in any other way?—I think that to give longer leases would in the first place be the greatest encouragement. I think there should be some supervision in respect to grassing in the terms of the lease.

145. Some witnesses think that the Government might provide the seed; the reason being that if the seed were purchased indiscriminately by careless people it might cause the spread of weeds throughout the country?—That is very likely.

146. Do you think the Government might provide the seed gratis, or at half the cost, or help in that matter?—They could make some provision for it in the rent, and provide also that there is to be so-much grass sown.

147. Do you think the tenants should pay a certain percentage on the seed?—Yes; they should do that.

148. The Government charging the tenant interest and sinking fund?—Yes.

149. How long would this sowing last?—Cocksfoot would last for the term of a twenty-one-years lease—that is, if it took well.

150. Would you put it in the terms of the lease that the run was to be subdivided within a certain time—I suppose it would depend on the nature of the country?—If the country was good I should subdivide it. Subdivision should be made a condition of the lease, regard being had to the class of the country.

151. Do you think it would be a good thing to rest the country periodically if it were subdivided—you are aware that some of the finer grasses and herbs have disappeared altogether—they would still grow if the land was rested a while?—It would be all right if you could keep the rabbits off it. On all this run country we have only sheep on the land during the winter, so that the land

gets rested up to the end of June. When we get rain we get feed, but if we do not get rain we do not have it. We had a good lambing this year—about 75 per cent. During the past six years we have been able to keep up the stock from our own increase, and we have also sold some sheep. All that we sell are the older sheep. The run is very high in some places. It runs up to the crest of the Remarkables, 7,000 ft. high. We have a sub-station at Gibbston, on the Kawarau.

152. *Mr. McCardle.*] You have seeded down some of the runs successfully?—Yes.

153. Do you think you can do so equally successfully with the run you are now managing?—Yes. What I have done here so far has been successful.

154. Would the run you manage be suitable to subdivide?—I do not much think it would. It could be divided if you could get rid of the Remarkable country.

155. You think that getting seed from the Government would insure it being good seed?—It ought to.

156. *Mr. McCutchan.*] Do you not think it would be preferable to allow the runholders, large and small, to provide their own seed, extending their lease, and fixing by arbitration compensation for improvements at the termination of the lease, giving the runholders right of renewal from time to time?—I do not think there would be any harm in that. Probably that would be just as good. I think the seed should be submitted to some test, because there is a lot of bad seed sown. I think the Government seed ought to be good, because it would be to the interest of the Government to get good seed to be sown on their own land.

157. *Mr. Anstey.*] Would it not be very much more encouragement if you got a better tenure—that is, right of renewal with compensation for improvements? Would not that be better than a fixed long lease?—That might be a better way.

158. Is it not security of tenure that you really want?—Yes.

159. If you had security of tenure you would probably sow the grass yourself?—Yes, if we were sure of reaping the benefit of it.

160. How are the rabbits on the Kawarau Run?—Pretty bad on the low country, but getting better on the high country.

161. What are you doing to reduce them on the higher country?—Poisoning. They will take poison on the higher country, but they breed more than five times as quickly on the lower country.

162. Can you suggest any better means of reducing the pest?—No; I do not think we can do any more than we are doing now. We trap in the summer.

163. Would it not be possible to keep the rabbits much better in check on smaller holdings?—If the holdings were well looked after I believe we could, but there are some of the smaller holdings about here worse than the runs.

164. Could the losses by snow be minimised if the runs were made smaller?—I do not know. The Remarkable country is very dangerous. I do not know how you could do anything with it.

165. In your opinion, it is not practicable to make use of that country?—I have tried to cut it up in my own mind, but the country on the other side of Nevis is the trouble.

166. One witness to-day was rather strong on the proposal that in mining districts a settler should have the right of free selection?—I do not think much of it.

167. If they exercise that right I presume they would select frontages, which would spoil the country altogether?—Yes; because it is not only the land you lose, but there is the disturbance of the stock in the neighbourhood.

168. *Mr. Hall.*] Would it work well to divide the run into small runs for sheep-breeding?—You could make two or three runs out of it.

169. Would it pay the lessees to take it in smaller areas?—If they got it at a decent rent.

170. Have you sown fescues?—Yes. They seem to stand to the ground. Chewing's fescue is all we have used.

171. As regards compensation at the expiry of the lease, do you see any means by which grassing could be valued? Would the arbitrators be in a position to assess the compensation unless they knew the position and state of the land at the beginning of the lease?—It would be rather a difficult thing to get at.

172. Do you see how grassing could be valued?—Any one valuing would have to know the state of the country before the grass was sown, and then inspect it at the end of the term of the lease.

173. In the interests of the State, as well as of the runholder, you say that leases should be for longer terms?—I think that fourteen years, with right of renewal, would be a better tenure than at present.

174. Do you think that the constitution of the Land Board could be improved by election or by any other means?—I have heard no objections made to the present system. I heard it stated in evidence this afternoon that the members of Board do not know the requirements of the district, but I may point out that they have Rangers who report on all the applications that are made.

175. I suppose it is only merino sheep you keep on these runs?—Yes.

176. Have you no surplus ewes to go down to the lower country?—We sell a few every year.

177. *Mr. Matheson.*] You said that security of tenure would prove the greatest inducement to lessees to improve the country?—I think so.

178. Suppose you could see a way to divide the land into two or three runs at the end of the lease, giving the holders a right under certain conditions to acquire the freehold, do you think it would be wise on the part of the State to do that? Do you think it would result in making the place much more productive under such tenure?—I do not think so. I do not think the freehold would be much good to the tenant in country like this.

JAMES RITCHIE examined.

179. *The Chairman.*] What are you?—I am a farmer on Cromwell Flat. I hold 670 acres. It is freehold, except 180 acres which is on occupation under the Mining Act. I have been here for forty-one years. My land is mostly used for cropping and grazing. All we grow we sell locally.

Our grievance has always been the want of an outlet. We have always been looking forward to getting railway-communication. The 180 acres is in the middle of my freehold, and I would like to convert it into a freehold. It was held under agricultural lease, and I would have converted it into a freehold except for an oversight as to the date within which I could do so. I think that omission should be rectified. I am willing to purchase it.

180. *Mr. Anstey.*] Where is your farm?—Two miles and a half from Cromwell. I pay for the leasehold 10d. an acre.

181. What class of land is it?—Fairly good.

182. Do you irrigate the land?—Yes, I irrigate it all. I have two races—one fifteen miles long and the other eight miles long.

183. Is there much improved land in that neighbourhood of that quality?—Yes. The land is of a good class if it is watered. I threshed out 20 acres of oats the other day, and it went 65 bushels to the acre. The land has been cropped for forty years without any manure or anything.

184. It has not been cropped continuously for the forty years?—No; every alternate year. 65 bushels is rather more than the ordinary crop. The crop depends greatly on the amount of irrigation you can give it.

185. You have not got any high country attached to your holding?—Yes; we hold 2,000 acres—a small run.

186. I presume that works conveniently with the low country?—Yes.

187. How many sheep do you run on the high country?—We have been trying to stock it. We put five hundred ewes on it one time, and we took a hundred off—the snow killed the rest.

188. Can you not bring the sheep down to the low country for the winter?—I had five men engaged for a week to bring them down, but they only brought them down to die.

189. *Mr. Hall.*] Without irrigation would your land pay for cropping?—It would not keep a goose to the acre.

190. And that applies generally to the land here?—Yes, I believe so.

191. *Mr. Matheson.*] What do you do in the alternate year—fallow or green crop?—Fallow. Without fallow and water we could not grow anything.

192. Have you tried a green crop in between?—Yes.

193. Was it not satisfactory?—No. If you get six weeks of weather such as we have had lately it would wither up any green crop. You cannot irrigate a green crop. You must have something to retard the progress of the water and prevent it carrying the land away. In the case of green crops, even if you made drills, it would cut tracks in the crop and force all the plants out.

194. *The Chairman.*] For how long have you got the race?—Twenty-one years. I have one race and hold a third interest in another. My miner's right enables me to use the race.

195. *Mr. Anstey.*] Supposing there are a dozen farmers, has one the right to get the water-race and keep the others out of it?—These rights have been held since 1861 up to the present time. The water was divided for mining purposes. I suppose one person could purchase all the water and keep the rest out. Of course, one head of water must by law be allowed to run down the natural course of the creek.

196. You have acquired all the water in the eight-mile race?—Yes.

197. *Mr. Matheson.*] Do you have to renew the right every year?—Yes.

198. *Mr. Hall.*] Does the mining license allow you to use the water for irrigation purposes?—You have to take out a license for irrigation purposes.

199. Is there any limit imposed in respect to the water used?—Yes, it is limited.

#### JAMES HORNE examined.

200. *The Chairman.*] You are Chairman of the Vincent County Council?—Yes, and I have been a resident here for twenty-two years. I would like to say this with regard to irrigation: that without irrigation small holdings are valueless in this district. The water was all taken up for mining purposes in the early days. As the ground got worked out a great many miners took up small holdings, and they are using the water on those holdings. Until very recently no land could be acquired for settlement except under agricultural lease. Most of the holdings from Mount Barker down to Cromwell were originally taken up under the old agricultural lease. Water granted for mining purposes cannot be used for irrigation unless the right is altered from mining to irrigation. Some races have changed hands lately. In one case one head of water brought about £400. The hospital paid £400 for it. It costs the hospital £40 a year to clean the race and keep it in repair. At this time of the year this part of the country is very subject to thunder-storms, and when they occur they usually damage the races, and it is very expensive to keep them in repair. Rabbits also destroy the races by burrowing under them. I may point out to the Commission that some time ago Mr. Hancock, an American expert, was sent up by the Government to report on the various water-supplies that might be used for generating electricity, and he thought that we had the best means of doing so in the colony, at Lake Hawea, on account of its elevation. Under his scheme water could be brought down from the lake. Probably the land in the valley is the easiest worked in New Zealand, but it requires water.

201. *Mr. Anstey.*] You said the hospital paid £400 for a head of water. Is not that the cost of bringing the water in?—We pay 4s. a head for eight years. One head of water would cost £3 12s. a week.

202. Could you suggest an equitable scheme whereby the water could be divided amongst the various settlers in any one locality?—It would be of no use. The people who have already got it have got too little.

## JOHN MCRAE examined.

203. *The Chairman.*] What are you?—I am a farmer and the owner of a homestead on the Tarras Station, about twenty-one miles up the valley from Cronwell. I have about 2,000 acres between myself and my two sons. The land is chiefly flat, and I use it for cropping and sheep. I have 700 acres freehold and the rest is under lease in perpetuity. I pay 2½d. an acre for the leased land. I have been thirty-seven years in the district, and have been farming for twenty-seven years.

204. Are you satisfied with your lease in perpetuity?—Yes, to a certain extent; but I would rather it was freehold.

205. How long have you held the lease in perpetuity?—Seven years.

206. Have you improved it much?—Yes.

207. Supposing the Government said to you, “You want to make it a freehold. Very well. We will have your improvements valued and the land valued—not at 2½d. an acre, but at its present value.” Would you be willing in such a case to have it put up to auction and take the chance of buying it in that way?—I have made a number of improvements that a Government officer could not see. The land was badly infested with rabbits when I got it. I would rather keep my present lease, because I have spent a lot of money on the land, and that expenditure could not be easily assessed.

208. *Mr. Anstey.*] Do you do any irrigation on your land?—Unfortunately, I cannot. We have got no water at all just now.

209. Has no one ever tried sinking artesian wells here?—Not that I know of.

210. *Mr. Hall.*] Can you suggest any further means that the Government might take to lessen the scourge of rabbits?—I think wire-netting is the best method of preventing their spread and increase.

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CLYDE, TUESDAY, 14TH MARCH, 1905.

## CLAUDE FELIX FISANDIER examined.

1. *The Chairman.*] What are you?—I am a miner, but I am farming now. I hold some mining property still. I hold 223 acres of land, such as it is, under lease in perpetuity. It lies six miles from here across the river. I have held the land for eight years. I crop the portion that is worth cropping, and I run a few cows and grow a little fruit. I suppose that we will improve now that the railway is coming up.

2. What would you like to bring before the Commission?—I would like anybody who wishes it to have the freehold. I think the best thing would be to grant the freehold under the deferred-payment system, such as we had in force here about fifteen years ago.

3. That is, to pay up by instalments?—Yes. I do not think there are many here who could pay ready cash for their lands, and I have been here forty years.

4. Do you not think the lease in perpetuity is pretty good?—It is no good. I have paid now in rent what the land is worth—£64 2s. 10d., and would it not be better if I had that money to improve with? The more I improve the more I am taxed, and so I do not see the use of improving further.

5. So far as the lease in perpetuity is concerned, the rent is always the same?—Yes, but I do not believe in it.

6. Supposing the Government allowed it, would you be willing to purchase your land at its present cash value?—It is £1 per acre and it is not worth it. If you call at my place I will show you a sample of it; but I would rather pay the cash value than pay the rent. I think it is very wrong for a new country to have the land held as it is. My candid opinion is that the land laws at present are no good. I have been here forty years, and yet I cannot have a bit of freehold of my own. My two sons are like me. They do not believe in paying rent, and at present they will not go in for land.

7. What improvements have you on your section, and what do you value them at?—I have a stone house of five rooms, and fences and a cowyard and dairy. £1,000 would not pay me for my improvements, and I will not improve any more the way I am fixed now, because the more I improve the more taxes I have to pay. I simply put on the improvements I wanted badly. There are plenty more people of my opinion if they would only come forward.

8. *Mr. Paul.*] Will you explain exactly what you mean when you say the more improvements you put on your land the more you are taxed?—I am taxed on my improvements.

9. Do you mean local taxation?—Yes, to the County Council.

10. Would not that taxation be payable if your land was freehold?—I do not know, but I know I would rather have the freehold. I want a thing of my own; I do not want to be a servant to anybody. I reckon we are as bad as the Irish in this colony. What is the difference if you have to pay rent to the Government or to the private landlord.

11. *The Chairman.*] Under the freehold, you are aware that if you improve your land you would be taxed just as much as under your present system, so far as local rates are concerned?—I understand that.

12. *Mr. Hall.*] Could you have got the option of purchase when you took up this land?—No; I tried to, but I could not get it. I got a piece of the run from the squatter, Mr. William Fraser. I would like to remark, in regard to the question of water-conservation, that two surveyors were sent from Wellington to report on this district. I had an interest in the Fraser River, and they wanted to go along the range and see what water was available for a reservoir. I was asked to go with them, but I could not do so. I know they went over the country, but I do not know what report was sent in.

JOHN SHEEHY examined.

13. *The Chairman.*] What are you?—I am a fruit-grower on the west bank of the Molyneux, near Clyde. I have an occupation lease of 40 acres, and I have held it rather more than four years.

14. Is fruit-growing your sole business?—No; I could not wait while the trees matured, so I had to make it a mixed business. The first lease granted to me was for 20 acres, but I saw that that would not be sufficient for my fruit-trees and for cultivation for horse and cattle feed, so I applied for a further area of 20 acres, and, after a good deal of trouble, it was granted to me. Immediately I was granted this extension I went on planting, and I have now 15 acres in fruit-trees. In two years I considered I put a value of £20 per acre on the whole of the 15 acres, and in seven years I reckon the value will be £100 per acre for the 15 acres; and yet, because I am on a goldfields district they have refused me the right to purchase. I consider that the income from each tree after eight years' growth is worth £1 5s. annually to me. Not much of this land can be cultivated with the plough, and I have to grub it by hand. I have water-rights for irrigation, because I was previously a miner. Of course, under the present system of land-tenure it is impossible for me to acquire the freehold. I have nothing to complain of about my rent: I pay 6d. per acre.

15. Would you feel more comfortable if you had the right to make your section freehold?—Yes, and I could do so to-morrow.

16. *Mr. McCardle.*] What length of lease have you got?—Twenty-one years.

17. Are you subject to revaluation then?—My rent will be fixed by arbitration.

18. Do you get paid for improvements at the end of your lease?—No. If I could get value for my improvements I would sell to the Land Board now.

19. *Mr. McCutchan.*] The capital value of your land is 10s. per acre?—Yes.

20. I understood you to say that you value your improvements at £100 per acre?—Yes.

21. So your interest in the land as tenant is nearly two hundred times greater than the interest of the State?—Yes, and that is why I want it to be freehold now.

22. That increase in the value is due to your efforts entirely?—Yes

23. Under these circumstances you consider you should get the right to purchase this land at the original price—namely, 10s. per acre?—Yes.

24. *Mr. McLennan.*] Are there any facilities for bringing water in on that side of the river to irrigate the ground?—Yes. Generally before an election the Government send surveyors and officials to survey the water-rights, and they talk to us about water-conservation and about dam-sites that have been fixed on the ranges at a high elevation, but that is all that has been done. If we ask about it we are told it is being kept steadily in view.

25. Would it cost much to bring in the water?—£2,000 or £3,000 would bring water in to irrigate all that side of the river. There is a never-failing supply of water.

26. Seeing that it would be a great benefit to the fruit-growers, would they be prepared to pay the interest on the capital expended?—I can only speak for myself, and I would be prepared to pay my share.

27. *Mr. Anstey.*] Do you think that all land in mining districts ought to be available for freeholds?—Oh, no; but any proved non-auriferous should be available as freehold. There is a great difficulty in getting settlers on the land at present. The Land Board have frequently broken faith with us.

28. Then, do you think the boundaries of the mining districts should be refixed at certain points?—That would be a difficult thing to do. There is a good amount of non-auriferous country right in the centre of the goldfield. I think the freehold might be acquired of proven non-auriferous land.

29. You understand that the freehold could not be granted to one or two individuals in these districts?—I understand that.

30. Seeing that there would be a great deal of difficulty in granting the freehold in mining areas, would not the lease in perpetuity be a suitable tenure?—I do not believe in that system of tenure at all.

31. Would you rather remain as you are?—No; I would prefer to be under the deferred-payment system, and I think that proven non-auriferous land should be brought under that system of tenure.

32. Seeing that your lease is only for twenty-one years, and that you have only fifteen years to run, and that at the expiry of your term you get no valuation for improvements, do you not think it would be much better if you got a lease in perpetuity, which provides for valuation for improvements?—No, I would not consider it at all—I would not take it at all. I would rather go on, and let the Government value my improvements and buy me out at the end of the lease.

33. But you get nothing at the end of the twenty-one years for improvements?—I would get valuation, surely. The Act does not allow it, but I do not think any Government would allow me to be deprived of the fruits of my labour. I might say that our trouble here is that we cannot get land. The run comes right into the township. Nowadays the people are ready to take up land at any price, but they cannot get it.

34. *Mr. Forbes.*] Have you any trouble in getting rid of your fruit?—Not at all, and the more fruit-growers we have the easier it will be to get rid of our fruit. I raised two or three tons this year, and I sold it all locally at 6d. per pound, when I could only get 4d. in Dunedin. My trees are of first-class quality, but they have not come into full bearing yet. I plant every year, and keep on extending. Last year I planted six hundred trees, and this year I expect to plant another six hundred trees. I procure some of my trees from America.

35. *Mr. McCardle.*] You have intimated that you are quite against the 999-years lease?—Yes.

36. Are you aware that if you had that lease and wanted to sell out to-morrow you could get value in full for all your improvements directly you sold?—I could do that to-morrow with my present lease, and get full value from any other fruit-grower in the district.

37. *Mr. Paul.*] What is your objection to the lease in perpetuity?—I see they have fixed very high rents under that tenure, and higher than under the occupation leases.

38. That is your objection?—Yes; and also because there is no such thing as acquiring the right of freehold over it and stopping this rent. If you let the land to men with families their families do not want to be always paying rent. They require the land to be given to them as a freehold. It is an inducement to them to settle and improve the land. There is something in a man which makes him wish to call a thing his own.

39. I take it that your acquaintance with lease-in-perpetuity holders is limited?—There are only three systems in vogue here—the runholder, one lease-in-perpetuity holder, and about two under occupation licenses. We cannot get the land because the Land Board will not give it, although we have petitioned frequently.

40. So, your experience of lease-in-perpetuity holders in this district is very small?—It is limited.

41. *Mr. McCutchan.*] With reference to representation on the Land Boards, do you think there should be direct representation by the votes of the settlers instead of the system of nomination by the Government as at present?—Yes, I think so.

42. Would you confine the voting to the people interested, or would you elect on the parliamentary franchise?—I would confine it to the people in the immediate districts. For instance, at present the Board is constituted of men appointed from the seaboard and agricultural districts, who have simply no knowledge of the conditions ruling in these inland districts. I have applied for land here, and the Board send up a Ranger who is totally unacquainted with the district to report to them on my application. He does not at all understand the climatic conditions, and he sees I am applying for land amongst a lot of rocks, and he tells the Board not to grant it to me, because he says I cannot make a living on it.

43. You are aware that four members are elected by the Government at present?—Yes.

44. The Government interests have to be protected, but if the small settlers and the people interested in the land had the right to elect two members, leaving the power to nominate the other two in the hands of the Government, would that be satisfactory?—Yes, and it would make a balance of power.

WILLIAM PITCHES examined.

45. *The Chairman.*] What are you?—I am an hotelkeeper here, and a runholder. I have been here five years. I hold a small grazing-run of 2,000 acres at Ophir, about eighteen miles from here, adjoining runs held by my father, sister, and brother. I am paying 4d. per acre rent. We shorn a thousand sheep from the combined 7,000 acres last season. My adjoining neighbours are only paying 2d. per acre rent.

46. Do you think your land is any better than theirs?—Not as good.

47. Was your land taken up at the same time?—Yes.

48. Was 4d. per acre the upset rent?—Yes; and my neighbours' upset rent was the same, but they got a reduction to 2d.

49. For what reason?—Because the land was poor, and because of their losses in two bad winters.

50. Did you apply at the same time for a reduction?—No.

51. You have never applied?—No. If I applied I would have to risk losing my run. It would go up to auction again, and my adjoining neighbours might go for it, and it would not suit me to lose it.

52. Was their land put up to auction again when they applied for a reduction?—Yes.

53. Then, they ran the gauntlet of auction?—Yes; but my run was outside theirs, and they did not run the risk I would. If I throw my run up I maintain I should have the first option to take it up again. I do not think the present law is right. It seems to me ridiculous that I should have to pay 4d. while my brother only pays 2d.

54. Have you many improvements on your land?—Yes; a lot of fencing. We work the runs together. They are subdivided into paddocks. I believe there is also a rabbit's hut on my run.

55. Are the rabbits troublesome there?—Yes.

56. How long is it since a reduction was made to your neighbours?—About three years ago.

57. Of course, the value of stock and wool has gone up since then, and it is just possible somebody else may be prepared to give 4d.?—Yes; my adjoining neighbours would, but no outsider would go in.

58. *Mr. Anstey.*] What run was your holding taken from?—Galloway Run.

59. Was that a large run?—Yes; and it is still a large run.

60. A portion of it has been cut into small grazing-runs?—Yes.

61. Do you know anything about the other large runs in this neighbourhood?—Yes.

62. Are any of the other large runs suitable for cutting up into small grazing-runs?—Yes. There is Moutere, for instance, and, speaking of that station, I may say that some thirteen months ago the Commissioner of Crown Lands and the members of the Land Board visited this district, and they went to the trouble of going over this run, accompanied by several of the residents of this place. After travelling all day we returned, and had a meeting in the Courthouse in the evening. The Land Board considered the advisability of cutting up this run, and they gave us to understand that the run would be cut up into areas of, say, from 2,000 to 5,000 acres. We were waiting to see the surveyors on the ground; and to our surprise we found that Mr. Jopp had started to fence in the ground, and that was the last we heard of it. The only bit of ground that was given was next to the river below the main road. That ground has been all taken up, and shows the eagerness of the people for the land. I do not think the people in this district are being treated right. I think they should have had the option of going in for the land that Mr. Jopp got back again.

63. As a tenant, have your relations with the Land Board been satisfactory?—Not under the circumstances I have stated.



64. Are you satisfied with the present constitution of the Land Boards?—No, not if they have not got the power to execute what they have promised.

65. Do you think they ought to be an elected body?—I think they ought to have more powers, or they ought to be able to execute the powers they are supposed to possess. I can certainly say they promised us we should get this land and we did not get it, and we do not know why we did not get it.

66. You think they failed to execute the powers they have?—Yes.

67. *Mr. Forbes.*] You say that if your run was put up to auction again it might be taken up at the same rent as you are now paying?—Possibly it would. It lies into my adjoining neighbours, and most likely they would go for it. I do not say they would.

68. Do you think they would give more than it is worth?—They might do so. The Galloway Station gave 1s. 3d. per acre for some land. It was far more than it was worth, and they had to throw it up.

69. Of course, the proprietors of the Galloway Station would not go in for your run?—But they did so in the first place. We threw the land up to get a reduction in rent, and it was put up to auction again and the Galloway Station bid 1s. 3d. per acre for it, which was a higher price than we were giving. Our sheep fell back on our hands, and we had to sell them within a certain time, and at that time there was no market for sheep, and we sold at a sacrifice.

70. Then, the Galloway Station threw the land up again?—It was taken from them and I got it again.

71. Was it offered again at auction?—Yes, and I got it at 4d. My brother found it would not pay at that, and I find the same thing. I do not want to throw the run up because I am frightened the same thing might happen again.

72. You think it would be better, when you forward a petition asking for a reduction in rent, that the Land Board should appoint a practical man to see if the rent is too high, and make a reduction if necessary without offering it at auction?—Yes; I think that is a good idea.

73. *Mr. Hall.*] Do you think these large runs should be subdivided and made into smaller holdings?—Yes. The people are very eager for land all over Central Otago.

74. Should they be cut into 6,000- or 7,000-acre blocks?—They should be cut according to the quality of the land.

75. Could runs in the rough country be worked successfully and profitably in such small areas?—Yes; it depends on the survey-line taking in low land.

76. Could they give low land in subdivisions of that limited area?—I think so.

77. You think the Land Board should have increased power to use at their discretion?—Yes, I should say so, so long as they could use it. I would also like to impress on the Commission the advisability of conserving water for land-cultivation. I think there are plenty of water-rights even in this district which should be retained and used for the land.

78. *The Chairman.*] Are there many private water-rights held here?—There are some.

79. You think there is still a surplusage of water for new applicants?—Yes. It could be easily got. The Waikerikeri Valley would serve a lot of Moutere country if it was conserved by a large dam.

80. In other words, you think that all the water is not in private possession?—That is so.

BENJAMIN NAYLOR examined.

81. *The Chairman.*] What are you?—I am a farmer and a storekeeper, and have been here forty-two years. I farm 1,200 acres at Matakanui, and have done so since 1875. There is natural water on the farm. I have grown very good crops there. I do mixed farming. My tenure is freehold. It has proved a very good investment to me, although it was not so in the first instance. All the work on the farm has been done by hired labour. During the first few years there was a great deal of outlay in draining and other improvements.

82. *Mr. McCardle.*] Is there any land about here open for settlement?—No.

83. Do you think the runs about here would stand subdivision and be profitably worked?—I think they would if the high country were taken with the low country.

84. Would the Moutere Run stand subdivision?—Yes. There is no doubt farmers could be got on them, and also on other runs. I feel sure the parties who took up the low land would be quite willing to take up a portion of the high country with it.

85. Even if it were away from the low land a bit they would fence it in and feed their stock on it?—Yes. There is better grass on the high country.

86. Do you think if the land was cut up in that way it would be readily taken up?—Yes. There is a great land hunger here now.

87. *Mr. McLennan.*] If stock was as low now as ten years ago, do you think there would be the same earth hunger as there is now?—There might not be, but people have to take chances. People would take up the land and would run the chance of stock rising in price. Stock was at a low ebb when I took up my land, but I did not consider the stock, but taking up the land and making a home for myself.

88. What do you think about the ballot system?—I do not approve of that. I think it is a very bad system. I would recommend localising the applications. If you open land in a district I would only allow the local people to ballot for it in the first instance. If they do not take it up, then allow anybody in the colony to ballot for it. At present a person might ballot for years unsuccessfully, yet he might be a very eligible person to go on the land.

89. Have you anything to say about the Government taking care to preserve the water-rights for irrigation?—Most decidedly. Water-rights from the water-bed is part and parcel of the country. If the water had been conserved the land in the neighbourhood would have been far more profitable than it is.

90. *The Chairman.*] Do you think it would pay to spend a large amount in bringing water

and letting it out to the small settlers engaged in fruit-growing?—It might not be a success at first, but it would gradually be successful. With respect to land-tenure, I think the land laws are very suitable at the present time. I believe in the deferred payment.

91. You believe in the freehold?—I believe in the deferred payment, and I believe in the present land laws. I believe in the lease in perpetuity, because it enables a great many persons to take up land who could not do so otherwise.

92. You know that under the lease in perpetuity the rent remains at the original amount, but without the right of making it the freehold?—It is better than freehold. The trouble seems to be about the revaluation—the unearned increment. It is a great question who that belongs to. I say that some of it belongs to the man who makes the improvements. The Government might say it is on account of the construction of public works that the value has increased, but I look upon the man who has increased the value by his labour and capital as having got a big share in the unearned increment.

93. As the law stands now there is no revaluation?—Some holders of lease-in-perpetuity land are afraid of revaluation. I feel sure they would be satisfied if there was not that fear. I do not think the aggregation of estates is going on here, nor is it likely to. It does not matter so much as to the aggregation of estates as it does about putting the land to proper use. A man has only one pair of hands, and if he is a large farmer and puts the land to proper use he must employ labour, and labour is pretty expensive now. I have a registered dairy, but I will have to slack it up because I cannot get milk-boys. I can hardly get anybody to feed the pigs. They will go rabbiting or do any sort of work rather than feed pigs. I am going to slack it up and go in more for sheep and cattle. As to the constitution of the Land Boards, I think they have given general satisfaction, and I do not think any improvement could be made. I am in favour of the present system. If any one feels aggrieved at a decision of the Land Board he can appeal to the Minister of Lands to put the Board right.

94. *Mr. Paul.*] Would you be in favour of regulations or legislation being enforced against the holders of freehold land to insure that land being put to the proper use?—Yes. I would put on a wild-land tax. I would find some way of making them cultivate the land. Let them pay so-much an acre for keeping the land idle.

JAMES McARTHUR examined.

95. *The Chairman.*] What are you?—I am a farmer, and have 1,200 acres of freehold. My son has the adjoining block of 600 acres under deferred payment, and another 200 acres is held by my daughter. The land is in the Moutere Run, about six miles from here. I have been there for over thirty years. I took up the land on agricultural lease for seven years, and then made it freehold. My son took up his land under the same system, and I subsequently took it up on deferred payment. I consider that is the best system. I use the land mostly for stock. There is a great deal of poor land on it. I surface-sow the flat land where it is shingly and thin, and that has succeeded fairly well. I bought two rights of water, and I irrigate. Of course, that is the life of the land. I think that water-conservation would be of great advantage to this district. There is a great deal of water going to waste. If we had water almost anything would grow here.

96. *Mr. Matheson.*] Have you any idea at what cost the water could be saved?—I think, at a very nominal cost in many places. I have some miles of races to irrigate my own property.

97. If it needs miles of races that would increase the cost very considerably?—A man with a plough can make a race in a very short time. It did not cost me a five-pound note to make the race that serves my farm.

98. *Mr. Anstey.*] Are there any large runs in the district suitable for cutting up into smaller holdings?—I do not think so. I do not think there is any of the Moutere Run fit for cutting up. If you make the runs too small there is nothing in them.

99. *The Chairman.*] Is there any other matter you would like to bring before the Commission?—I think it would be better if the members of the Boards came from different districts.

100. Are you pleased with the system of nomination?—I should favour the district having a voice in the election of a member of the Board.

101. You think there might be a combination of the nominated and elected members?—Yes.

102. *Mr. Matheson.*] Would you favour the Crown nominating two members, the other two to be nominated but chosen from the County Councils of the land district?—I think that would be a very good idea.

103. *Mr. Paul.*] Is there not a possibility under election that the populated centres would elect all the members of the Board?—I do not think it is fair that all the members of the Land Board should come from the seaboard. I think some members ought to come from the interior.

104. There would be a difficulty in such members attending the meetings of the Board?—At present you can go down to Dunedin in one day.

105. *Mr. McCardle.*] Do you not think that monthly meetings would be quite sufficient to meet the requirements of the country instead of weekly or fortnightly meetings?—I think so. As regards the tenure, I am a strong believer in the freehold. I think it is every man's ambition to get a bit of freehold to leave to his children after he has gone.

GEORGE FACHE examined.

106. *The Chairman.*] What are you?—I am a general agent, and have been over forty years in this district. My object in appearing here is to give an expression of opinion in regard to the tenure of the land. My experience in this colony and in Australia has been that men who live on the land want to own it. It seems a part of human nature, the wish to hold land and to transmit it to one's children. In respect to water-conservation, at the present time large quantities of water are running to waste. Most of that water could be conserved by dams at a very slight expense. At the back of the Fraser there are one or two streams running to waste that could be

easily utilised by the making of a few miles of race. There are districts languishing owing to want of water, and if there was water the land might go up in price from 10s. to £10 an acre.

107. *Mr. McCardle.*] Do you think the runs in the neighbourhood would stand being divided with profit in the way of closer settlement?—I am perfectly sure of that.

108. You are aware of the conditions under which land is settled under the Land for Settlements Act?—Yes.

109. Would you be in favour of granting those men the freehold at the price at which they took up the land, or do you think the land should be revalued before the freehold is granted?—No; decidedly not revalued.

110. I mean under the Land for Settlements Act. Would you be in favour, if a man wanted to purchase the land, that it should be revalued and the section open to be taken up by any member of the public?—I think the tenant should have the right of purchase.

111. *The Chairman.*] Supposing a man takes up land at £6 an acre, and the valuer says, "Your improvements are worth £1,000, but the land is now worth £10 an acre"?—No; decidedly not, because the man with energy and perseverance has increased the value. The unearned increment is due to the man's exertions.

112. *Mr. Paul.*] Do you believe that all the unearned increment belongs to the occupier?—The whole of that unearned increment is due to the exertions of the tenant. So far as regards the benefits derived from public works, he directly pays for them in the shape of rates.

113. Would you extend the right of purchase to occupiers of educational leases, Corporation endowments, &c.?—I think the object of an endowment should be carried out in its entirety. Land which when it was given was worth £10 might in twenty years be worth £500 an acre. If that land were given for educational or charitable purposes, as time went on the requirements of charitable institutions would increase.

114. But would not all that improvement in the value be due to the occupiers?—That does not matter. You must not take from one man to give to another.

115. You think that is different from the other case?—Yes; where the Government sell or lease it. If they lease it the unearned increment belongs to the occupier, but you should not take away land that has been given to anybody. Education reserves are given specially for education.

116. They are all Crown lands. They all belong to the people, and it does not matter whether they are set aside for education or for any other purpose?—Not according to my view. These endowments are taken out of the hands of the Government and set aside for a special purpose.

117. *Mr. Anstey.*] Then, according to your view, one class of tenant is entitled to the unearned increment and the other is not?—One takes it up under the Government and the other does not.

118. You are aware, in regard to land for settlements, that in some cases there is a very large increase in the value of land above the original valuation, and in other cases there is none. You say you are in favour of allowing the tenant the right to purchase the freehold: in that case would it not almost be certain that the best sections would be purchased and the inferior ones would be left in the hands of the Government. Would that be fair to the Government?—I look upon a great number of these questions as being such as will never arise. I stated that I would let every one have the right of acquiring the freehold; but if the Government thought their servants have made a mistake in the valuation put upon their property they should suffer for it.

119. Would you allow the holders of very cheap sections to buy them at the original price and leave the other ones in the hands of the Government?—Yes.

120. *Mr. McCardle.*] Are you not aware, in respect to education reserves, that the money derived in the way of rent does not go directly for education purposes, but goes into the Consolidated Fund, and the general cost of education is voted out of the Consolidated Fund?—Yes.

121. Then, what is the great benefit of these reserves being held apart when they are really not being held specially for that purpose at all?—I understand you to say that this revenue is placed in a fund and that the Government distributes it. I am a holder of an education reserve at the present time, and pay a certain rental. I look upon it that that money is going towards the education of the children of the country.

122. Those reserves are only another source of revenue to the Government—that is all?—That is very likely.

JAMES BODKIN examined.

123. *The Chairman.*] What are you?—I am a fruit-grower and dairy farmer. I have been in the district about fifteen years. I hold about 80 acres under freehold on the Dunstan Flat.

124. What do you wish to bring before the Commission?—I have had some experience in regard to water-conservation, and I may state I was present with the engineers sent by the Government to report on the cost of conserving the water about here. The first one selected a site a few miles from Clyde, and then another one was sent, and he did not approve of it. He preferred the head of the Waikerikeri Valley, but I think it was the question of cost that prevented anything being done. It was found it would be very expensive. The ground would not hold water, and would almost have to be cemented. My own opinion of the water question is that it would be better to acquire some of the present mining rights to the water, and bring it in by races instead of making dams.

125. Would that suit the mining industry?—At the present time I think the mining industry is not very profitable about here. The sluicing is done, and I think a great amount of water might be acquired at no very considerable expense, and the races could be put right. On the goldfields the land has been reserved for mining, and in many places it is not used for mining; and now that the railway is coming near I think that a better tenure should be given to the land, in order to give encouragement to fruit-growing in these reserves. The Land Board at present can only give a year-to-year tenure to the land.

126. Have all these reserves been tried and prospected?—In some places there has been some sluicing, but it is pretty well worked out.

127. You think some of these reserves could be put under a longer tenure without injury to the mining industry?—I think so, where there are suitable places for orchards. My own opinion in regard to the question of tenure is that the freehold, unless a man has his own money to make it freehold, is no better than the leasehold. I think that the freeholder mortgaged is in no better position than the leaseholder. I would favour the deferred-payment system as much as anything. I am in favour of the freehold eventually, but I do not think it would be wise for the settlers to rush into the hands of money-lenders to acquire the freehold. And I do not think it is good for the Government that the eyes should be picked out of the sections they have bought. I think only the best sections would be bought and the bad land would be left on the hands of the Government, and would cost as much to administer as the whole of the estate.

128. You think the lease in perpetuity is more favourable for settlement where the settlers have not enough money to purchase the freehold?—I think so. I think that the late Mr. Rolleston's law for deferred payment would meet the requirements of the settlers who wished to acquire the freehold.

129. *Mr. McCardle.*] Do you know anything about the large runs here?—I have never been over them.

130. Have you any quantity of land here that could be made available for settlement?—I only know of the runs. If they were cut up and water brought in for irrigating the land I think there would be a large development in the fruit-growing industry here.

131. You think the land could be more profitably put to fruit-growing than farming?—Yes, about here.

132. *Mr. Paul.*] Are you in favour of giving the right of purchase to tenants under the Land for Settlements Act?—Certainly, on condition that a settler could show he has his own money to pay for it. I think it is almost too soon yet to give the freehold of the estates the Government have acquired. I think there should be a time-limit fixed, after which the settlers could acquire the freehold, and I think the first estate the Government acquired should be dealt with before the freehold is given to settlers on the more recently purchased estates. That would give the settlers time to improve their position, and give them a better chance to acquire the freehold if they wished to.

GEORGE LYON CUTHBERTSON examined.

133. *The Chairman.*] What are you?—I am Vincent County engineer, and have held that position three years.

134. *Mr. Matheson.*] Has it struck you that an additional water-supply could be got at a reasonable expense for irrigation purposes?—I am not speaking of a great scheme from the lakes, but from local creeks and streams?—If water was available it could be brought in from the Fraser River without great cost, but I do not think there is any water available. Several speakers have made a point of building dams up the Fraser and bringing in water for the flats, but there is no water there. There is some water in the Waikerikeri Valley, where the Clyde supply comes from. It was only after a lot of trouble that we could get our water, and a man is kept going pretty continually looking after the races.

135. Then, you do not know of any creek that is available within a reasonable distance for supplying water to these flats?—I do not, in the immediate vicinity of this district.

136. *Mr. Anstey.*] Do you know if any one has ever tested this ground for artesian water?—I have not heard of it.

137. Could you form any idea as to whether artesian boring is likely to be successful or not?—I could not without data.

138. Do you think it would be worth while for the local authority or the Government to put in a trial test?—I think the Government might very well do it. I think the local body has enough on its hands at present.

[Subsequently the following letter was received and was ordered to be inserted at the end of Mr. Cuthbertson's evidence:—

“ Vincent County Council, Clyde, 14th March, 1905.

“ SIR,—In conversation with Mr. Matheson I find that in giving my evidence on the question of water-conservation I did not understand his question aright. In saying that I did not know of any streams having water available for irrigation in any quantity which has not already been granted, I was not dealing with the question of dams, but meant that at present it would be difficult to get extra water-rights granted, as what is already granted more than exhausts the supply in the dry season. There is not the slightest doubt, however, in my mind, that during a considerable part of the season there is a considerable quantity of water in excess of the present grants running to waste, and which, if it were conserved in dams, would be of incalculable value to the agricultural and fruit-growing lands. Take, for instance, the Fraser River. I understand that from previous surveys it has been ascertained that a dam could be built for about £2,000, which would hold enough water to command the whole of the flat on both sides of the river between Clyde and Alexandra. Trusting this will correct any wrong impression I may have given the Commission through not taking the question up right.—I have, &c.,

“ G. L. CUTHBERTSON, County Engineer.

“ The Chairman, Land Commission.”]

ALEXANDRA, TUESDAY, 14TH MARCH, 1905.

ANDREAS CHRISTIAN IVERSEN examined.

1. *The Chairman.*] What are you, Mr. Iversen?—A farmer.
2. How many acres do you farm?—About 590 acres of freehold.
3. Do you engage in mixed farming?—Yes.
4. How long have you been farming in the district?—About twenty-four years?—I was mining and had a garden in Conroy's Gully before that. I had been there since 1864.
5. You might say to the Commission what you would like to bring before us?—As to the question of tenure, I believe in the freehold, with a restricted area according to the quality of the land. The best way to obtain the freehold would be under the deferred-payment system. The term when the system was in force formerly was fourteen years, but I think the term might be extended to twenty years. If a man proved himself to be a genuine settler he might be allowed to buy after a number of years. The reason I support the freehold is that I believe that no man will improve the ground under a lease as he will under a freehold. I might tell the Commission this: I went Home from Victoria in 1857, and stayed at Home for some years. While there a Commission was appointed by Parliament to inquire into the best method of occupying the land. All the land in the place I come from—Denmark—is freehold. It became freehold in the early part of the century. In other parts, near Copenhagen, for instance, much of the land was held on lease from the nobility. There was an agitation that the land should be made freehold as fast as possible. Where the land was freehold a man improved his land, but where the leasehold was in force all that was cultivated during a man's father's time was still being cultivated by the son, and no improvement was being made. I visited one place and found that under Count Moltke's leaseholds the floors were still earth floors. Denmark had no resources but the land, and therefore had to take the best course to make the most use of it. A Bill was introduced—I cannot say what became of it—providing that the land was to be valued. A farmer appointed two men, the landowner two, and the Government a fifth, and these men were to value the land, and the farmer could pay in cash if he liked, or pay 4 per cent. interest on the money. The interest could not be raised, no matter how the occupier improved his land. I believe the Bill became law, but I am not certain.
6. Was there a limit in which the land had to be made freehold?—I believe there was a limit, but that is more than I can remember. It was at the time I left Home. At any rate, the result of what was done is that Denmark, which is about the size of Canterbury Province, exports nine-million million pounds' worth of butter, hams, eggs, and poultry to England every year.
7. I think it is an overestimate?—Well, they say so in the papers. I read it myself. It has also been stated in Parliament.
8. I read some time ago that Denmark sent out eight million pounds' worth of butter?—Yes, but bacon and eggs are large items too. All the land has been improved or no such result could have been brought about. New Zealand is on the same footing. The land is the main thing, and the colony should do all it can to improve the land and make it more productive year after year. That will benefit not only the farmer, but the merchant and the working-people, and everybody else, because they all depend on what the land will produce.
9. What are your views on the lease in perpetuity?—I have read about it and I have studied it. There is one drawback in it. No one knows at what moment the rent might be raised. Parliament might raise the rent at any time. The man who has a leasehold has not the same security as the man with a freehold.
10. Parliament could raise the land-tax on freehold?—Yes, I admit that Parliament has that right.
11. You think, however, that the lease is not so good?—That is so. When a good time comes a man can afford to pay his rent, and if he has more money than he wants he may improve his land, or he might put money by to purchase at some future time, or perhaps to tide him over bad times. But when bad times come with the leaseholder he is obliged to give his land up, and it falls back on the country again. But if that man once commences to pay off his land to make it freehold he will have more interest in it. When the agricultural-lease system was in force I am told that some men considered that the best thing to do was to take a few crops and throw the land up and get another section. That might be done under leasehold as well.
12. What about water-conservation in your district?—In the first place, I would like to say that in this district it is necessary that some land should be thrown open, so that people here could make homes for themselves.
13. Could you indicate any particular locality?—Earnsleugh and the Galloway Flat are suitable for settlement.
14. Is the Earnsleugh country not all taken up?—No, not yet. There might be some poor country included in it, but there is good land in places. All the flat between here and the Dunstan could be settled if there was water for it, and I think the water could be got from the Fraser River. There is an abundance of water for a good many months every year, and there is a place where it can be stored. Mr. Perrin told me that a dam 1 chain wide and 50 ft. high could be made to supply not only Earnsleugh but the Dunstan side of the river also. I think, myself, there is abundance of water to supply both sides of the river which might be stored.
15. Did Mr. Perrin say anything about the cost?—He estimated the amount, but I would not like to say what I think it was, because the sum in my mind is so small. A dam 1 chain in width and 50 ft. high would not cost very much. Payment for the cost could be made by the farmer in yearly instalments. In that way, I hold, the Crown land could be used to as good purpose as private estates bought by the Government.
16. What is your experience of the Land Boards?—I think the present Otago Board is as good as we could wish for. They are trying to do what is right. We might find fault at times, but I think that all the members of the Board are trying to do the right thing. I think it would not be an improvement to have the Chairmen of County Councils on the Board, as has been proposed.

17. *Mr. McCardle.*] Are you acquainted with the large runs in the district?—Yes.

18. Could they be divided into smaller runs and made profitable for settlement?—Yes; but I would exclude the most valuable land—land that could be taken up for fruit-growing in 200- or 400-acre areas. The main part of the runs, however, might be cut up into smaller runs. Blackstone Hills and other places ought to be subdivided. Even here they are too big, and ought to be subdivided.

19. You favour the freehold rather than the perpetual lease?—Yes.

20. There is a large amount of land settled under perpetual lease?—Yes.

21. Those men have their land at 4 per cent., while those who intend to purchase are paying 5 per cent.?—Yes.

22. Would it be right to grant those lands at the same price and leave the man exempt from paying the 1 per cent. additional?—I think the value of the land should be the same. If a man wants a change from the perpetual lease to the right-of-purchase system he should pay the higher amount.

23. You think that he should pay up the 1 per cent. to the State?—He should pay from the time he changed to the other system.

24. He is asking a privilege from the State?—Yes. It is a question, however, that I will not be positive about, and I would rather leave it to others who have thought it out.

25. Do you believe in restricting the area of land that any one man can hold?—Yes. I would restrict the area according to the quality of the land.

26. *Mr. Paul.*] Did you ever know a leaseholder who took two or three crops out of his land and then threw it up?—No, but I have been told that they used to do it at the lakes.

27. *Mr. McCutchan.*] Your reason for fearing revaluation is that there may be a consequent increase of rent?—It is not the only objection. Every man likes to have freehold land. There is a pride in having land of one's own. It is natural to every man to like to possess the land he lives on.

28. In connection with taxation, what are your views on the unimproved value of land?—Of course, the unimproved value rises. That is my own experience. When I came here first the people said that I was foolish and that my land was no good. By-and-by the Government valuator came round and valued the unimproved land at 10s. per acre all over the flat. Next time a valuator came round he put 2s. 6d. more on my land than on the other land, and the last time he came round he put £2 an acre more on my land than on the other land. Therefore I contend that there has been nothing done here to increase the unimproved value except what I have done myself. In other words, the unimproved value has been increased by my own labour. It is owing to my improvement of the land that the increase has been put on the value.

29. It comes to this: the fact that the unimproved value has risen is due entirely to you, and not to any increase in value of the country generally?—I have had no benefit from the railway or any other public work. Of course, sheep might have increased in price.

30. You, being a freeholder, get all the rise in the price of the land, but if you were a leaseholder you would not get it?—If I was a leaseholder and there was revaluation my improvements would be valued at so-much and my rent would be increased. I would have to pay so much more a year to the Government under revaluation, and that is one reason why I object to revaluation.

31. What is the unimproved value of the land of your neighbours?—I could not tell. The general value of unimproved land is 10s. per acre.

32. Does your neighbour's value still remain at 10s.?—I think so.

33. *Mr. Hall.*] Do your remarks about revaluation apply to the leases in perpetuity?—Yes. It is said that leases in perpetuity should be revalued at certain times. It has been suggested that five years or three years should be the period. The unions in the towns suggest some such thing.

34. If the Government grant a complete title for 999 years, how can there be a revaluation?—I say that the Parliament can override any Act. They have done it before. They can pass a law and say that there must be revaluation. I think that if that law came into force a man might be allowed the option of throwing up his land.

35. If Parliament has the power to break down a title that is given for 999 years, cannot they do the same with the freehold title?—Certainly. At present they are taking large estates compulsorily at a valuation. Parliament is the ruler, and the majority can do anything.

36. A freehold might be so mortgaged that it would not be worth while taking it from people?—Yes, that is so.

37. *Mr. Paul.*] Where did you see any proposal by any trade-union to revalue land every three or five years?—I think it was in the *Daily Times*. I get it regularly and read pretty well everything in it. Such a thing has been mooted by the unions often enough. The programme was given long since.

38. You are positive that the time stated was three or five years?—It was either the one or the other. Some years ago five years was suggested, but later I believe a suggestion was made that it should be three years.

39. Would you be surprised to know that the trade-unions of this colony have never decided on the period at which revaluation should take place?—I would not be surprised. I can only tell you what I have read. The programme was given not long since in the *Otago Daily Times*.

40. As an old settler, do you believe all you read in the newspapers?—I find the *Daily Times* a very truthful paper. I have read it for many years. Sometimes the *Daily Times* is opposed to the proposals of the Government, and some papers would not print the arguments used in Parliament that they do not advocate themselves; but I read *Hansard*, and, comparing the *Daily Times* with the reports in *Hansard*, I find that the *Times* is very truthful.

41. I believe that the *Daily Times* is truthful too?—Yes, they give a very fair account both for and against.

JOHN MCILROY examined.

42. *The Chairman.*] What is your business, Mr. McIlroy?—My wife holds a small section under lease in perpetuity on the Earnsclough Settlement.

43. How much land is there?—46 acres. It was taken up three years ago.

44. What do you use the land for principally?—Mixed farming.

45. What would you like to bring before the Commission?—I maintain that the land has been valued too high. A forced valuation was placed on it.

46. What do you pay now?—5s. 3d. per acre.

47. Was the land fenced when you got it?—Some fences were running crossways on it. It was old fencing that was not worth much. Some of it had been there for thirty or forty years.

48. Was the land in grass when you got it?—Part of it was. Some of it was freehold and some was Crown land without anything on it at all. The freehold was bought at £4 an acre, and the Crown land that was thrown open was worth 10s. per acre. Another thing is that the rent was not fairly divided among the settlers. It is flat land. My neighbour pays 1s. less than I pay, and if anything his section is better than mine. It is the same with other sections.

49. Has your section any advantage in the way of water?—No, except on the top section.

50. Are you satisfied with the lease-in-perpetuity tenure?—I would sooner have the freehold of the land, or, at any rate, a certain portion of it. A section like that is too small, but there is not another foot to be got.

51. The idea was that it should be opened for small fruit or dairy farms?—Yes; that is so. An area of 500 acres was bought for settlement, and 268 acres of the poorest of the land was opened for settlement. The rest was thrown in as a homestead for the run. The runholder is here. He has told me he would be satisfied if the whole of it were thrown open. He pays more for it than he can make out of it.

52. *Mr. McCardle.*] Do you make a living off the 40 acres?—I do not depend on the land alone for my living. I have other work as well.

53. Do you know anything about the runs adjoining you?—Yes.

54. Could they be held in smaller areas?—I think so.

55. *Mr. Anstey.*] Is your farm in a mining district?—It is in a mining district in a way, although there is no mining about there that I know of. The Government have proclaimed the Fraser River a sludge-channel, which, of course, depreciates the value of the land, because tailings accumulate on the ground.

56. Does the watercourse through your land belong to the miners?—No, to the settlement.

57. *Mr. Johnston.*] Were you satisfied with the land when you took it up?—No; but I could not get any other. It was the only land available, and if I had not taken it I would not have got any other. Half a loaf is better than no bread.

58. *Mr. McLennan.*] Have you any improvements?—Yes. I have a house, and I have fenced the land and divided it off.

59. In the event of a Bill being introduced to enable you to get the freehold of your property would you accept full valuation for improvements and allow the section to be put up for sale, so that other people could compete for it?—Yes.

60. *Mr. Forbes.*] What are you doing with the land?—Mixed farming. I run stock on it, and also grow a crop of potatoes.

61. Would you like to get some more land?—Yes.

62. Is there any land there available?—There is the rest of the land that was bought for the settlement.

63. Do you think the Government could get it back again?—Yes. I believe they have let it for twenty-one years.

64. At the same rental as you are paying?—I think it is at a smaller rental.

65. Would it be taken up freely?—It would be rushed, and as much more as they could get.

66. What areas would you suggest?—50 acres.

67. Would you say that in this part of the country there is a demand for that sort of land?—Yes. There is a demand in any place where there is a chance of getting water. If there is no water the land is no good.

68. Is there any chance of getting water?—The water that is there now waters all the land.

69. And there is sufficient water to irrigate if the land was cut into small farms?—Yes; any amount of water.

70. *Mr. McCutchan.*] If you got full compensation for your improvements would you allow the place to be put up for sale?—Yes.

71. Is that due to the fact that you consider the rent too high?—No; the place is too small for me.

72. If the rent was such that you considered it fair would you consent to its being put up to auction?—No.

73. *The Chairman.*] How long have you been in the district?—For thirty-eight years.

74. I do not suppose you confine yourself to this small piece of land?—I was working for wages before I took it up, and I have been doing the same since.

75. And you really got this place for a home?—Yes.

76. What is the amount of your rent?—£11 9s. per annum.

77. I suppose you wished to get a decent home and the amenities of a little ground around it instead of going into Alexandra?—Yes; it was more for a home than anything else.

78. So that, taking it on that principle, you could give more than the real agricultural value of the land?—Yes; but I do not see why I should pay 1s. more than the man alongside of me.

79. *Mr. McLennan.*] Your neighbour's land is 1s. below yours?—Yes.

80. Has he got water on his ground?—Yes.



## WILLIAM SANDERSON LAIDLAW examined.

81. *The Chairman.*] How long have you been in the district?—For twenty-one years and a half.

82. You were the lessee of the Earnsclough Run at one time?—Yes. I had it for about eleven years before the Government bought the pre-emptive right.

83. I understand that Mr. Forrester, who was caretaker on the run for the Government, carried out some experiments in the way of grassing the land?—Yes. He sowed a ton of grass. I told him it would be absolutely useless. He sowed most of it on the bare faces. It is very dry country, and there is no shelter for grass. You cannot grow grass or anything else here without water.

84. Was the grass-sowing a failure?—I think so. I have not seen any of the grass.

85. Did you ever try it yourself?—I sowed some cocksfoot grass in some of the damp gullies. I sowed only a few bags here and there, and it came away very well.

86. As a former runholder, have you any idea of what might be done to improve them?—There are plenty of runs in and about this district where grass could be sown. There is shelter in the way of tussock, and the grass would come up better than on Earnsclough. On the Earnsclough flats it is hopeless to sow grass, because if it did come up in the spring the summer heat would wither it again. On the Moutere, Matakanui, and Mount Pisa Runs there are places where grass might be sown with advantage. They have more rainfall, and it would be a success there.

87. What is the rainfall here?—I do not know. It is not very much.

88. Do you think the tenants could be induced to sow these runs if they had a longer tenure, or if a larger amount of valuation were given at the end of the term?—If they had some *quid pro quo* they would do it for their own sakes, even if they had not a larger valuation. If they had a certain tenure they would do it, I think. Many runholders do not care to do much in the way of improvement, because they never know the minute when their runs will be cut up.

89. Perhaps the right of cutting up would still remain, but it might be stipulated in the lease that if any cutting up was done before the termination of their long tenure they would get full valuation for their improvements?—Then, I think they would do it for their own sakes.

90. There is a restriction on tenants under the pastoral lease against cultivating: should there be a modification of that?—I think that if they have agricultural ground fit for cultivation they ought to be allowed to cultivate. A runholder could often cultivate 500 or 600 acres and grow turnips, and so get a few fat sheep worked off. It might be well to place restrictions on them, I think. If they put down a crop of turnips for a couple of years they should be obliged to sow the land down in grass afterwards.

91. *Mr. McCardle.*] You said that the runholder is afraid that a portion of his run might be taken for close settlement?—Yes.

92. Is it possible to settle a good deal of those runs under closer settlement?—Not about here.

93. Then, I do not see where the fear would come in?—There are some runs that are suitable for closer settlement.

94. *Mr. Anstey.*] Was the fruit-growing settlement, which has been spoken of by Mr. McIlroy, a piece of Earnsclough Run?—Yes; it was part of the freehold.

95. We are told that more of that land is suitable for settlement. If it was taken for small settlements would it interfere with the working of the back country?—I do not think they could work the back country without it. I think that if they took the front country off it would interfere with the back country.

96. Very great care would have to be taken before any more of the land was acquired for settlement?—Yes. A man with sheep wants some low land.

97. Is there sufficient of that low country now to enable the back country to be cut up into smaller areas?—There was only 500 acres at the first.

98. Is there only 500 acres that can be described as front country?—There are some thousands of acres on the slope of the hill.

99. *Mr. Johnston.*] Have you had any experience of any other land besides Earnsclough?—On Matakanui.

100. Has it fern?—No; but there is tussock.

101. You think that grass would come on Mount Pisa? How would you advocate the sowing?—I would sow it broadcast, but I would not burn unless it was thick tussock.

102. Your experience has proved that broadcast sowing over a run without burning would grass the run?—I have not had any practical experience. I only sowed a few bags here and there in the gullies.

103. And what you did was satisfactory?—Yes.

104. Do you know anybody who has done it on the faces?—Only Mr. Forrester.

105. Do you know any one here who has experimented in grassing the high runs?—No.

106. Has anything been done to sow grass among the ferns after burning?—I have no experience of fern country at all. All my experience has been in this district.

107. Is there any Californian thistle on the run?—Very little.

108. Any ragwort?—I do not think so. At any rate, not when I was there.

109. *Mr. McCutchan.*] Do you consider Land Boards as at present constituted satisfactory?—I think so, so far as my knowledge of them goes.

110. *Mr. Matheson.*] Are the present land-tenures satisfactory?—I am a great advocate of freehold land.

111. Do you think it would be a loss to the State to allow the lease-in-perpetuity settlers on acquired lands to obtain the freehold?—I do not think so.

112. *Mr. Hall.*] Do you think that the short tenure given to runholders is a mistake, and that it is no inducement to them to improve?—I think it is a mistake in most cases.

113. Do you say that these runs could be more profitably worked if they were in smaller areas?—No, I do not think so. It takes a great quantity of ground like Earnsclough to feed any number of sheep. I was running twelve thousand sheep on 65,000 acres.

114. Could that area have been more profitably worked if divided into three or four runs?—I do not know about that. It would need to be very carefully divided, because much of the ground is practically useless.

115. If the useless ground were left out it would mean that it would be rabbit-breeding ground?—Yes.

116. *The Chairman.*] After you left the run was it divided?—Yes; into two.

117. Did it go off as two?—Yes.

118. And it is held as two now?—No. One holder sold to the other, and it went back into one.

119. *Mr. Johnston.*] Is there any land on the Earnsclough Run suitable for cultivation high up, in the same way as in the Teviot?—There is a little ground, but not much—only a few patches here and there.

JAMES THOMSON examined.

120. *The Chairman.*] What are you, Mr. Thomson?—A settler on the Earnsclough Settlement.

121. How much land do you hold?—My wife holds 27 acres, and I have 31 acres on the opposite side of the road.

122. What rent do you pay?—My wife pays 3s. 10d. per acre and I pay 2s. per acre.

123. Do you think you are over-rented?—The 2s. is too much.

124. What are you doing with the ground?—I have some trees on it. I also have a house, 22 ft. by 12 ft.

125. Do you agree with Mr. McIlroy that the areas are too small for a living?—Yes.

126. Do you engage in other work?—Yes; I am on a dredge.

127. And you took the land as a site for a house and to be convenient to your work?—I took it more as a home than anything else.

128. You are fairly satisfied with your position as regards the land?—Yes.

129. Do you like the lease in perpetuity?—I would like the deferred payment. A man has more heart to improve his land if it is his own.

130. You have it now for 999 years?—Yes; but I cannot call it my own.

131. *Mr. Anstey.*] Do you say that your section is too small?—The one I have is practically of no use to me. If you turn water on it it runs, as it were, through a sieve.

132. Do you want more land?—Yes.

133. You have not enough to make a living on?—No.

134. If you had twice as much land as you have now could you live on it?—I think so.

135. Have you got your land fully cultivated?—What my wife has is fully cultivated, except 5 acres, which are not quite full. Some of the trees were killed by water running off my neighbour's land. It would take an ocean of water to water the 2s.-per-acre land.

136. Would you prefer the option of acquiring the freehold?—Yes.

137. Are you in a position to acquire the freehold?—The deferred payment is the system I would like. I could not buy it right out.

138. *Mr. Paul.*] It is through the leasehold that you are on the land?—Yes.

STEPHEN THOMAS SPAIN examined.

139. *The Chairman.*] What are you?—The lessee of the Earnsclough Run.

140. You have held it for some years?—Three years.

141. What is the area of the run?—About 60,000 acres. The term of the lease is twenty-one years.

142. How many sheep does it carry?—I hardly know.

143. I understand that you wish to make an explanation?—I wish to refer to a statement made by John McIlroy. He said I had told him that the freehold land connected with the run was of no use, or words to that effect. I wish to contradict that statement, and to state what I did say to him. There are two leaseholds connected with the run and it is compulsory for the tenant to occupy both. One of 640 acres is situate about 3,000 ft. above sea-level, and the other of about 200 acres is at the homestead. The one on the hill-tops is practically valueless. The rent is charged for both, and the amount of profit that could be returned from the one on the low land is not sufficient to cover the rent charged for both—that is, speaking from a direct return of the 200 acres. The convenience of the holdings I could scarcely value. The wool-shed stands about the centre of the lower area, and without the use of the land the wool-shed would be useless, or without the use of the ground around the wool-shed one could not carry on shearing operations. It is worth considerably more to the station than what I am paying for the two, for the reason that it could not be done without. No individual could take the amount of rent I am paying for the two holdings from the 200 acres alone. That is what I wish the Commission to understand, and that is what I told Mr. McIlroy. I thought a misunderstanding might come about from his statement, and for that reason I make this explanation.

144. *Mr. Anstey.*] Are the 200 acres a portion of the 500 acres that were purchased for land-settlement purposes?—Yes. I was not aware the land was purchased for land-settlement purposes, but if any one says so I am not here to contradict him.

145. We were told there were 500 acres purchased for small settlements, and that only about 260 acres were devoted to settlement, the other part being taken up by the lessee of the run. I presume that is the land they speak of?—Yes.

146. You say the wool-shed is on it?—Yes.

147. Has the wool-shed been built since your occupation?—It has been connected with the station for many years.

148. In that case it would be unreasonable to take the 200 acres away from the station?—They must take the wool-shed with it if they do, and common-sense shows that that would not be reasonable. Even before some land was taken off for fruit-growing the run was worked at an inconvenience.

149. What is the rent of Earnsclough?—About £360 a year.

150. Is it possible to subdivide Earnsclough in any way to allow of several runs which would be profitable to the State and to those who took them up?—It is doubtful whether it is profitable to hold it in any shape or form. Although I have been there for three years I have not decided that. I have had a rise in the price of sheep and a downfall with the snow-storm, and I do not know whether it is profitable to hold it in any form.

151. You experienced a bad year in 1903?—Yes. I lost 2,800 sheep out of a flock of 4,800.

152. From your experience of Earnsclough you would not recommend subdividing it for small grazing-runs?—I would not put my own money into it.

153. You think that if the land were closely settled and taken away from the run it would minimise your chance of making the run pay?—It would depreciate the value of the whole run.

154. *Mr. Johnston.*] The run was in two blocks?—Yes.

155. And you have it now in one block?—Yes.

156. Did you get the permission of the Land Board to purchase the other part?—I purchased one block and the Charles Brothers purchased the other. In the snow-storm their financial position was so reduced that they could not continue, and for the sake of the accommodation that was at the homestead I arranged to take it over from them.

157. What number of sheep did you shear last season?—I do not remember the number, but it is not very large—somewhere about three thousand altogether.

158. How many bales of wool had you?—I do not remember.

159. You had three thousand sheep on 60,000 acres?—Yes, but the run might carry more. When you get your stock reduced in a snow-storm and there is a dear market to purchase from you simply do not buy.

160. What were you carrying last April?—I do not think the stock was altered between April and shearing, with the exception of the death-rate of the winter.

161. What is the tally of the sheep returns?—I could not say from memory.

162. You did not furnish a return of thirteen thousand sheep, did you?—I certainly did not give a return of over 3,200 sheep altogether.

163. Have you any other land?—No.

164. You cannot remember the number of sheep or the number of bales of wool?—I said there were about three thousand sheep.

165. *Mr. Hall.*] Do you think the Government ought to give long leases of these runs with a view to their being grassed?—There are some leases that the Government give every inducement for people to take up in large areas, but there are others that ought to be open for closer settlement. The pastoral license does not induce a man to spend his money on the ground. It is the reverse. It means this: you get what you can out of it every year, and you put no money into it that you cannot take out. Although it is a twenty-one-years lease it is practically a twelve-months license. It is possible for the license to be terminated on twelve months' notice, and it is looked on in that form.

166. From your knowledge of the country held now as sheep runs, would there be any risk that by cutting into them the rough country might be thrown on the hands of the Government?—There is some country round about here that is worth nothing. It is not in limited areas but in thousands of acres. By itself it would be worth nothing.

167. If the better portions were severed from it no one would take the rough country?—No. They could make no use of it if they did take it. There is rough country attached to Earnsclough that is only accessible for four months in the year. If you had low country that would carry sheep in the other eight months the top would graze a large number of sheep in the four months. The winter feed is the whole trouble.

168. *Mr. Matheson.*] There is a block of 1,500 acres cut out adjoining the homestead block for settlement. Do you think if the run had been left intact its value as a whole would have been more profitable?—Decidedly it would have been.

169. Do you think the Crown diminished the value of their holding by giving that small settlement?—There is no question about that at all.

#### JOHN BUTLER examined.

170. *The Chairman.*] What are you?—I am a farmer at Bald Hill Flat. I have got about 860 acres freehold and about 7,000 acres under pastoral lease from the Crown for either ten or fourteen years. My time has more than half expired. I pay 2½d. per acre.

171. Have you grassed any of your place by surface-sowing?—No. I think it is possible to improve my run a good deal by sowing grass, but I have no security of tenure to induce me to do so. If I improve my place some one else will buy me out when the lease is up.

172. Would a lease of twenty-one years be satisfactory?—Yes. It would be good enough to induce me to improve.

173. Your rent is £61 per year, and under your present lease you are entitled to three times that amount as valuation for your improvements at the end of the lease: do you think that that is enough?—No. It would not half pay for the fencing now. I have about twenty miles of fencing on one paddock and about six miles on another paddock.

174. Are you troubled much with snow?—The snow-line is about 2,500 ft. above sea-level, and the top of my range is somewhere about 5,000 ft. There are snow-drifts there now. A great deal of the country is under snow in winter.

175. Do you lose many sheep in the winter owing to snow?—Last year I did not lose much, but the season before I lost 560 out of two thousand sheep.

176. *Mr. McCardle.*] Is your run of an average quality with most of the other runs in the neighbourhood?—I have the highest run about this part of the country.

177. Are you able to succeed with a 7,000-acre run?—I can make a living in the way I am.

178. Is there any quantity of country in the district similar to your run that could be subdivided into 20,000-acre runs, and so on?—Any amount of it.

179. Do you think it could be worked fairly profitably to the individual and more profitably to the State if the land was cut up into smaller runs?—The run below me is lower country, and it could be cut up into four or six runs.

180. And would it not be of great assistance in keeping down the rabbits if a number of men were settled instead of one runholder holding a large area?—I do not know. Some of our runholders do not make any great work at the rabbits. I think some of them make money by conserving them. I had a man on my place last week teaching me the way to make poison, and I always get the newest brands to destroy rabbits.

181. *Mr. Anstey.*] Could you give us any idea as to what size these runs ought to be cut up into—I mean for carrying-capacity rather than area?—On the run next to me, Mount Benger, a man and his family could live on 6,000 acres right enough.

182. How many sheep would the 6,000 acres carry?—This particular place would carry three thousand sheep, I believe.

183. Do you think that if the runs were cut up to carry three thousand sheep that would be enough for a man to live on?—It would be small enough.

184. *Mr. Johnston.*] You know the very high land cultivated up above Coal Creek?—Yes.

185. I saw a lot of cultivation and cropping there this morning—is the land being cultivated to advantage?—They are all making a living down there, but they are only cultivating for themselves. They are small grazing-runs. Nearly all the people who are settlers there have small runs along with the gardens.

186. Does that land take grass well?—Yes. Grass grows first rate.

187. It seems to me there is a great deal of ragwort between Teviot and here?—There is none in our district.

188. Is there any Californian thistle?—Yes; there are a good few small patches here and there.

189. *Mr. McLennan.*] Is there any low land on your run?—There is some land that could be cultivated.

190. Are you prohibited by the Land Board from cultivating any part of it for winter feed?—Yes; but if I had a good tenure I would fence it and sow turnips and sow down grass afterwards.

191. Do you think it advisable for the Land Board to prevent the tenants of small grazing-runs from cultivating in that way?—I think they are making a great mistake. I think they ought to allow a man to plough any patch that he wishes to cultivate.

ROBERT BALLANTYNE examined.

192. *The Chairman.*] What are you?—I am a miner, and I have a small agricultural area of 8 acres under lease in perpetuity, and if I had sufficient water I could grow things on about 30 acres. I pay 1s. per acre rent. I have been in New Zealand since 1862, and I have been thirty-five years in this district.

193. I believe you want to address us specially in regard to water-conservation?—I think a supply of water could be brought in from Bald Hill Flat to the settlers round about Alexandra, who are badly wanting it. That scheme was talked about at one time when a supply for Alexandra was being considered, but it fell through. It is about fourteen miles to the head of the race from here, and the water would require to be brought another ten miles further to reach the town, and I think that could be done at a moderate cost. The water-right I talk about is Dr. Hyde's.

194. Can you give us any idea what it would cost to bring the water in?—No, I cannot. We had plenty of water when I started there, but, unfortunately, it has all run out for both mining and agriculture. I would be sluicing now if I had water to sluice with. I also think a supply of water could be brought up from the Manuherika Stream to supply this flat right up to Clyde at a moderate cost.

195. Would it cost £10,000 to do so?—Something less than that.

OPHIR, WEDNESDAY, 15TH MARCH, 1905.

ALEXANDER ARMOUR examined.

1. *The Chairman.*] What are you?—I am a small grazing-run holder at Gimmerburn. I hold 7,300 acres under that tenure, and pay 6d. an acre. I have been in possession nearly three years. Another run of 3,000 acres is worked in conjunction with it—a run held by my sister, for which the same rental is paid. The tenure is also the same. On the 10,000 acres I have 3,300 sheep, and that is about the usual capacity of the land. From 250 to 300 acres is laid down in grass. I have tried surface-sowing. I put in fifteen bags of cocksfoot last spring, and I have about 200 acres of turnips and 40 acres of oats. The run is well watered. The nearest railway-station is Ranfurly, eleven miles off. I also superintend Ross and Glendinning's Run of 117,682 acres of summer country. The area of the low country is 16,354 acres, on Blackstone Hill and Poolburn. We have a pre-emptive right at the homestead of 2,000 acres, and there are 640 at the homestead. There is also some freehold at Highfield of about 1,500 acres. Our stock is "down" at present.

We have never got it up since the heavy snow of 1903. Before that year we shored about forty-four thousand sheep, and this season we shored thirty-four thousand five hundred. The sheep are merino and crossbred—about half-and-half—and the average clip is about 7 lb. The death-rate is very high in the higher country, but all over the run it ranges from 6 to 8 per cent. The rent altogether is £965 7s. 6d. The leases expire in 1910. It was a fourteen-years lease, but we got an extension after the severe snow-storm. In ordinary seasons the winter country is a fair proportion as against the summer country. There are probably over a hundred miles of fencing. There is some mining at Cambrian, Welchman's Gully, and also on the Blackstone Hill and German's Gully on a smaller scale. It is principally sluicing. Several water-races intersect the run. The Government race to Naseby traverses a portion of the country.

2. *Mr. Hall.*] Would the run admit of the low country being reduced?—No; it would not be workable at all.

3. Would a fourteen-years lease without right of renewal be satisfactory?—No.

4. Are there any noxious weeds on the run?—Only an occasional briar.

5. What is your opinion of the constitution of the Land Board?—I think they should have more power than they have at present.

6. What is your opinion as to having one elected member?—I think it is satisfactory as it is.

7. *Mr. McCardle.*] Would it not be more satisfactory if the Government were to nominate from Central Otago some one who knew the requirements of the district?—Yes.

8. How does the large run compare with your own as to quality, carrying-capacity, &c.?—The large run is not anything like as good as mine.

9. Would it not be possible to subdivide that run into smaller areas and still produce as good results as are now obtained from the large one?—No.

10. For what reason?—The proportion of high country compared with the small proportion of low country would not be workable.

11. When you refer to the low country you refer to that portion which is not so long covered with snow?—We put the sheep on the high ground in the summer and bring them down to the low country in May, and they are kept behind a snow-line fence.

12. You could not subdivide so as to include proportionately the high and low country?—No; I do not see how it could be done.

13. *Mr. Anstey.*] You say you have a right of renewal: in what way is that renewal granted—by arbitration, or who fixes the rent?—The Board. That is one of the difficulties under which we labour.

14. Supposing they fixed the rent twice as high as you thought it should be, you have no say in the matter?—No; and that is just the drawback.

15. I suppose you would much prefer if the rent could be fixed by arbitration?—No; I do not say that. The difficulty is this: that if I do not happen to take up the run at the increased rental and if no other person took it the value of my improvements would be reduced.

16. You get the valuation for your improvements?—Yes; but supposing they did not get a purchaser they would reduce the value of the improvements.

17. What valuation do you get for your improvements?—It is fixed by the Ranger.

18. Is it the full value or only a limited amount?—Ostensibly it is the full value.

19. Would you cultivate any more than you are doing?—No. I think we cultivate all the land that is fit for cultivation.

20. As a practical man, can you state what should be the limit of area of small grazing-runs?—It depends on the carrying-capacity of the land.

21. Can you give us the limit of the number of sheep that the run should hold?—About a couple of thousand sheep.

22. Are you hampered in any way by cropping-restrictions—some tenants are not allowed to cultivate?—I am allowed to cultivate.

23. Under some tenures the tenant is not allowed to cultivate?—Pastoral tenants are only allowed to cultivate with the consent of the Board.

24. Is there any reason for enforcing such restrictions?—I take it that the reason is that if it were allowed there would be competition between the pastoral tenant and the small farmer, which would not be fair. In some of the large blocks the tenant may be paying a moderate or a low rent, and the farmer might be paying a high rent, and yet the former could grow practically as good crops on the land.

25. Surely there is no benefit to the country in preventing a man cultivating the land for winter feed?—Certainly not.

26. There would be no objection to granting him permission to crop?—So long as he did not sell and compete with the farmer.

27. In regard to the Government race running from the Blackstone Hill, do you get any water from it?—There is a certain amount of leakage, but we have no right to the water.

28. *Mr. McLennan.*] What quantity and varieties of grass do you sow?—35 lb. of rye to the acre, 5 lb. of cocksfoot, and perhaps 6 lb. of different clovers.

29. What does it cost you to sow per acre—ploughing, harrowing, and sowing?—Roughly speaking, about £1 per acre.

30. *Mr. Forbes.*] You said you had done some surface-sowing with cocksfoot: that was on your own place?—Yes.

31. There has been none done on Blackstone?—Yes.

32. Was it a success?—Yes; but it takes a long time to come, and we find that the rabbits and also sheep give it great attention in the spring. To get the best results you would almost require to fence it off.

33. Is there much of the run capable of taking grass?—You could sow all the low country.

34. There is no use in sowing the dry faces?—No; the bottoms of the gullies.

35. You get no consideration for any grass that you sow?—None.
- 35A. Do you think that the present conditions under which these runs are held do not encourage a lessee to improve the land in the slightest?—It is the other way about. You do not know where you are. When there is a sword hanging over your head from year to year you do not know what to do. Since the severe snow-storm the fences have got into some disrepair in the high country, and we do not know what to do in respect to them.
36. Can you make any suggestion about leases in the high country so as to encourage the lessees?—I think the leases should be for a longer term—say, for twenty-one years.
37. There are some pastoral leases for twenty-one years?—I believe so.
38. Would it be in the interest of the tenant and encourage him to make improvements if he had something like an option of renewal?—I have no doubt it would encourage him to improve the property.
39. If the rental was fixed by arbitration and the tenant had the first option he would feel in a far more secure position in respect to improvements?—Yes, and there should be some allowance made for surface-sowing.
40. Have you had a long experience of this country?—About twenty years.
41. The country is going back for feed?—It is rather better this last year or two to what it was five or six years ago, since we have kept the rabbits down.
42. Some witnesses have said that the reduction in feed had been caused owing to burning at the wrong time of the year?—That had, no doubt, something to do with it.
43. I suppose the runholders know better now in respect to burning?—Yes.
44. There is no danger in respect to that in the future?—I do not think so.
45. You think, in the interests of the country it would be better to give the tenant a more secure tenure and let him improve the run?—Yes.
46. *Mr. Paul.*] You think there would be nothing like State aid required to restore the country to what it was, say, fifteen years ago?—The State could assist by giving more secure tenure of lease, and then the tenant would expend some little capital; but there is no encouragement now for him to do so.
47. It has been stated that dirty grass-seed has been sown on several runs—"the seconds from a threshing-mill"—have you had any experience of that kind?—No.
48. Do you think it would be wise for the Government to exercise any supervision over the sowing of runs, seeing that the land belongs to the State?—I think it would be in the interest of the tenant to put down good seed.
49. It has also been suggested that the Government might supply grass-seed at wholesale prices?—Yes; that would be a good thing.
50. Do you think supervision would be wise in connection with the sowing?—It might be as well.
51. You think that a more secure tenancy to the runholders will bring the country back to what it was fifteen years ago?—I would not like to say as much as that, but I know it would encourage them to sow grass if they could get it at small rates.
52. From your experience, the country to-day has not anything like the carrying-capacity of fifteen years ago?—Some years are worse and some are better.
53. In the interests of the district this country must be resown?—Yes; I think so.
54. *Mr. Matheson.*] With regard to the reletting and valuation for improvements, do you realise that the Act says that the existing lessee shall have the option of taking it up at the new rent—I am referring to small grazing-runs?—They have the first offer.
55. And if they are not satisfied with the valuation and rent they can have arbitrators appointed to fix the rent?—It was proposed at the recent Land Board Conference that, in respect to clause 85 of the Land Act regarding the resumption of small grazing-runs, they should be exempted; but the Otago Commissioner for Crown Lands seems to think that that does not apply to renewals. There is another matter I would like to bring before the Commission. I do not see why married women should not be allowed as much land as a single woman. At present a girl of seventeen can hold up to 5,000 acres, and a married woman is exempted from being an applicant if the area is over 2,000 acres—that is, in the case of a small grazing-run.
56. *Mr. Johnston.*] The Gimmerburn Run is pretty good country?—Yes.
57. It is low country—there is no winter country in it?—Yes, there is.
58. The low country is pretty good country?—Yes.
59. With reference to surface-sowing of Ross and Glendinning's run, was it tried on the high country?—No.
60. Was it sown broadcast?—Yes, and it has done fairly well. It is about eight years since it was sown, and I think it will eat the tussock out.
61. *Mr. Hall.*] What kinds of grasses do you consider most suitable for surface-sowing on these runs?—Cocksfoot and a little white clover.
62. You do not think the finer grasses would be suitable?—No; I do not believe in them at all.
63. Do you think the sowing of cocksfoot would improve the grazing-capacity of the run?—Yes.
64. A sufficient length of tenure and the removal of restrictions regarding the cultivation of a certain portion of the land for station purposes: would these provisions encourage lessees to sow grass and keep down rabbits?—Yes. That could be stipulated in the leases to the tenants.
65. *Mr. Matheson.*] Am I right in thinking that the 16,000 acres of lower country is under quite a different lease, and that the Crown can resume that land under the law?—Yes.
66. And if they so resume that land the larger part of the run would become of much less value?—It would be of no use without the low country, for the simple reason that that is the breeding-ground where the ewes are.
67. You know what notice has to be given?—A year's notice.
68. So that it makes your other lease very much less valuable than if the whole run was for the same term?—Yes.

69. *Mr. McCardle.*] Would it not be possible to divide the piece of land that has been referred to and share it out with the run if it was divided, and divide the high country?—Yes, you could do it; but I would not like to be in the position of having to work the run in the way you suggest. You would require to work the low ground with the high ground.

70. *Mr. Anstey.*] There is no other improved land in the neighbourhood of Blackstone that you could put up with it?—Yes; there is some more high country, but no low country.

71. *Mr. Johnston.*] You do not strip the Blackstone Hill country in the winter?—We heavily stock that.

72. You can winter on Blackstone Hill?—Yes. It is practically safe country.

DONALD NICOLSON examined.

73. *The Chairman.*] What are you?—I am a farmer, and farm 450 acres of freehold and 1,400 acres under lease in perpetuity. The freehold is on the Poolburn and the leasehold on the Blackstone. I have had the freehold for twenty-three years. I got it to begin with on the deferred-payment tenure. I have bought 130 acres. I have held the lease-in-perpetuity section for eight or nine years. I pay nearly £50 a year rent for the 1,400 acres. I am satisfied with my lease in perpetuity. I have effected improvements on it—ploughed part of it and sown it in grass. I have also done some cropping on it. Nearly all my buildings, including the homestead, are on it. I think the rent is reasonable, and I am satisfied with it during these times. The two places, although separated, are worked together. I have a thousand sheep on the lease-in-perpetuity land. My wife has a small grazing-run, and so also has my son. These runs are stocked together. I think a thousand sheep is about the proportion for the 1,400 acres. The average clip per sheep is about 7 lb. in a good year, and somewhat less in other years. The sheep are all crossbreds. We are able to sell fat lambs off that country, and keep up the number of stock as well. I have about twenty to thirty head of cattle and some horses.

74. *Mr. Hall.*] Do you consider the lease in perpetuity a satisfactory tenure?—I think when a man takes up a new piece of land and breaks it up and improves it, if he wishes the freehold I think he should have an opportunity of getting it.

75. Do you think the desire for the freehold is more sentimental than real?—It is real. With respect to the lease in perpetuity, one cannot be so sure about it, for we hear a great deal nowadays about reforming the land laws, revaluations, &c.

76. Could not that be made to apply to the freehold as well as to the lease in perpetuity?—Perhaps not so easy, for a man would expect to get something like a value in respect to the freehold that he might not get in the other place.

77. But the one tenure is as binding on the Government as the other?—If it is as binding.

78. Do you think it is a contract equally with the freehold?—I would not like to say.

79. *Mr. McCardle.*] What is the area of your son's run?—1,150 acres.

80. And the area of the run held by your wife?—600 acres.

81. How many sheep do you run on all the places put together?—We shored seventeen hundred this year.

82. Have you given the question of restriction of area any consideration—that is, limiting the amount of land that any one person can hold under the freehold?—It would depend on the land how you would restrict the area.

83. It would depend on the carrying-capacity?—Yes.

84. You do not approve of freeholds being granted, and then some person coming in and taking up the lot and putting them into one large freehold?—I do not think there would be much chance of that.

85. But there is the possibility, and you would not approve of it?—I would not approve of it.

86. Have you given the question of the advances to settlers any consideration?—I think it is a very good thing.

87. Have settlers in this district been taking advantage of it?—To some extent.

88. Have they generally got favourable replies from the Advances to Settlers Board?—In the case of leaseholds I do not think many of them did consider it was very favourable. If they wanted advances it was usually near the beginning of their lease, when they had not made any improvements, and it was found difficult to get an advance.

89. In your opinion, is it advisable in the interests of the settlers and in the interests of the country that the Advances to Settlers Act should be amended so as to meet the requirements of Crown tenants in this way: that the tenant's interest in the holding should be valued, and an advance be made up to the limit of three-fifths of the actual value of the tenant's interest in the holding?—I think if such a thing could be done it would be much appreciated by those who wanted it.

90. In your opinion, would the leasehold be about equal to the freehold under those circumstances?—Yes; it would bring it well up towards it.

91. *Mr. Anstey.*] You know the Blackstone Run: is there some of it suitable for cutting up into small agricultural runs? The last witness said the upper country was not suitable for cutting up, and that it would not do to take the lower country away from it?—I think he was correct in that.

92. Can you say how small these runs should be cut up so as to be profitable to the holders?—I may say that my son has a small run, but it would be practically useless as it is.

93. How many sheep would it carry?—Perhaps three or four hundred.

94. That is too small a number?—Yes.

95. What do you think would be the smallest number of sheep that a section should carry so as to give a man a fair living?—I do not think a man could live on less than from eight hundred to a thousand sheep. He would require land to carry that number.



96. *Mr. McLennan.*] Suppose the law was amended, giving you an opportunity of making the land a freehold—the property to be valued, and you to get full valuation for improvements—would you be in favour of the lease going to auction, the highest bidder to be the purchaser?—Not if I wished to make my home there.

97. Do you not think it would be far better to remain a Crown tenant than that the law should be amended in that way?—Generally speaking, I think that an agreement should stand. At the same time, I know that there are people who held land under perpetual lease and deferred payment, and who changed the tenure into lease in perpetuity, and they have regretted ever since having done so.

98. You are paying 4 per cent. now?—Yes.

99. If you wished to get right of purchase you would have to pay another 1 per cent.?—Yes.

100. *Mr. Paul.*] Have you had any experience of Land Boards?—I have been a tenant under them for a good while.

101. Do you think the constitution of Land Boards is satisfactory?—I think so.

102. You spoke in favour of the freehold—but take the case of a man who takes up improved land: would you extend the right of acquiring the freehold to the case of land acquired under the Land for Settlements Act—improved estates?—I have had no experience of them. There might be some reasons why they should be in a different position from the man who goes out into the forest or wilderness and makes a home there.

103. Do you think it would be safe or wise for the Government to acquire improved estates and cut them up and sell them?—I think if the State buys them at a proper figure it would be safe.

104. Would you approve of giving the tenant the option of the freehold?—I think so. There is no reason why he should be kept out of it.

105. Would you extend that option to tenants of educational endowments, harbour and Corporation leases, &c.?—There might be reasons why it should not be extended. I cannot say.

106. Can you see any sound reason why the tenants of these endowments should not be placed on the same footing as other tenants?—I have not thought anything about that question.

107. You spoke of the real advantages of the freehold over the leasehold, leaving out the sentimental advantage?—As it is at present I think a tenant will have great difficulty in raising an advance under the lease in perpetuity that would be of much benefit to him, whereas in the case of the freehold he can get what advance he requires.

108. But he does not get the freehold for nothing. He has to pay for it, and the probability is if he were in a position to get a freehold he would be a wealthier man, and could get an advance on account of his financial position?—Yes.

109. Have any cases come under your notice where holders of lease-in-perpetuity sections have not been able to get an advance?—I could not mention any case, but I know where men have complained that they could not get an adequate advance.

110. Do you think there is any possibility of the Government increasing the land-tax?—That is quite certain if money is required.

111. You spoke of the insecurity of the lease in perpetuity: do you not think it is more reasonable to expect an increase of the land-tax on the freehold, for which the machinery is provided, than any tampering with the lease in perpetuity, which would require new machinery?—It is most probable the Government will apply the tax where the machinery is ready at hand.

112. That is on the freehold?—Yes.

113. *Mr. McCardle.*] When you took up your 1,000 acres had you the option of purchase?—I am not sure. I know I took it up under perpetual lease.

#### JOHN PITCHES examined.

114. *The Chairman.*] What are you?—I am a farmer, storekeeper, and small runholder. I hold 300 acres of Government leasehold under perpetual lease, which I cultivate and crop with wheat and oats. I hold it in two sections, and I pay 8d. and 10d. an acre for it. I have 1,929 acres of a small grazing-run, for which I pay 5d. per acre. The two properties are four miles apart, but they are partly worked together. My two sons and daughter have runs next to mine, and they all work together.

115. Is your run too small by itself?—Yes.

116. What would be the carrying-capacity of 1,929 acres if you held them alone?—I do not know whether they would carry five hundred sheep.

117. Do you approve of the present constitution of the Land Boards?—No.

118. What would you substitute?—I would rather see the members elected by the people. This part of the country is not represented at all on the Land Board, and we have never had one who understood our requirements.

119. Have you given much thought to the constitution of Land Boards?—Yes.

120. What sort of constituency would you have to vote members—would you have it under parliamentary franchise?—I would have them elected something like School Boards. The candidates to send round their views, and the people could then choose between them.

121. What is your opinion of the lease in perpetuity?—I am not under it.

122. Are you satisfied with the perpetual lease that gives you the right of purchase?—Yes. I have held it eighteen years, and I have still eight years to run. I think it would be an improvement if the conditions of these leases were printed on the back of them. We have not all got the Land Act at hand, and we very often do not know what we have to comply with. The leases for small grazing-runs have the conditions printed on the back of them, and we find them very convenient, because we know what we have to do. I also think that we could very well do without Rabbit Inspectors now. They are a great bother to people, and they generally come round when settlers are very busy harvesting. Now that we have population and the railway at hand I think we might very well be saved the expense of them. I think it is a great hardship that the only

remedy at present open to a person who takes up land, and then finds the rent is too high and wishes to get a reduction, is that he should be compelled to surrender. I think it would be very much better if a person could apply to the Land Board and get redress from them without having to surrender. It would not cost as much as the present system of surrender, and if a tenant can make out a good case I do not see why the Land Board should not have power to grant his request.

123. Do you not think that that might lead to careless bidding at auction?—I do not think so. He did not take the lease at auction, and therefore I would not allow him to remain under it at a reduced price. My son and daughter were paying 5d. for their runs, and they applied for a reduction. A number of Land Commissioners went over the ground and I went with them, and I asked one of them what he thought the land was worth, and he said it was not worth anything, and that he would not live there if he was given £1,000 a year to do so. I offered the Land Board 2d. per acre on behalf of my son and daughter. They had to surrender, and they got the land back again at the reduced rate. I think the Land Board should have power to reduce the rent without forcing the tenant to surrender. I might also mention that I am a strong freeholder. I think every man should certainly be allowed to have the freehold. I think it would tend to make him improve his holding to a greater extent.

124. *Mr. Hall.*] I think you said that your opinion was that the Land Board should be elected: under what system would you elect them?—I think they might be elected as School Boards are.

125. Does not that mean that the lessees, who are interested, and the people in the cities and towns, who know nothing about land or land-tenures, would have the power to elect Land Boards, while the lessors, the Government, who hold the land in trust for the country at large, would have no power at all?—I would give the Government some power. The people up here would not elect a person they thought was not qualified for the position.

126. Would it be a fair thing to the country to put the management of the land into the hands of those interested and of those who know nothing of land and land-tenures?—I would not put a man there who knew nothing about land.

127. But it is what the electors would do, is it not?—We would choose very good men, and men who would look after our interest.

128. Do you not think that the Government, who hold the land as trustees, should have a voice in the appointment of Land Boards?—I do not think they should have the whole of it.

129. Has not the evidence, as a rule, gone to show that Land Boards are very satisfactory in their management of these affairs?—The people up country have an opportunity of electing School Boards, and why should they not have the same privilege in regard to Land Boards.

130. Has the administration of the Land Boards been satisfactory, so far as your personal knowledge goes?—Yes.

131. You said your run was too small to be worked profitably?—Yes. I could not make a living off it.

132. Does that mean that the cost of fencing and managing a small run and a small number of sheep is relatively much higher than if the run was larger and the number of sheep larger?—Yes.

133. *Mr. McCardle.*] What do you think would be a reasonable size for a small run?—I think for a man to give his whole time to it he should certainly have enough land to enable him to carry two thousand sheep.

134. Of course, you are aware that if a man had to contest a seat for an elective Land Board it would cost him a great deal of money?—Not the way I would do it.

135. Four members would be elected for the whole Province of Otago?—Yes. They could do all their canvassing by writing.

136. Would not that mean a large amount of writing and considerable outlay in stamps, to begin with?—I suppose so.

137. Looking at the thing in a reasonable way, you know you are living in a district where the population is not large: what effect would your votes have in returning a member as compared with the larger settled districts?—I think this district would show itself very well. There are a good many people here.

138. But if a hundred block votes were sent from this district to one man, and you had ten thousand votes against him in some other place, would you be any better off than you are now?—I do not think I would give manhood suffrage in a case like that; I would give those interested a vote.

139. Do you not think it would be far more reasonable to suggest that the Government should select from and nominate a man representing the leasehold interest and another to represent the freehold interest in the country?—Yes. At present, so far as I can understand, the present members of the Board nearly all represent Dunedin. There is no one from this district, except one from Maniototo.

140. When you are proposing amendments you cannot always get sweeping changes?—I understand that.

141. And if you had one member nominated from Central Otago that is about as much as you could expect?—I suppose so. So long as they paid me well I should have no objection to nomination.

142. The pay amounts to 10s. per day, and you pay your own expenses out of that?—That would not suit me.

143. *Mr. Anstey.*] You think that those settled on the land should have the right of voting for the Land Board members?—Yes.

144. And you said a little later on that the Land Board should have power to make reductions in rent?—I think so.

145. Then, if the settlers wanted a reduction in rent they might combine together and elect

four members to the Board who would guarantee to reduce their rents or do whatever they wanted?—Perhaps we should not find four members to agree to that.

146. You are in favour of the Land Boards having power to make reductions in rent?—Yes.

147. Would you give them power also to make increases where the rents are too low?—Yes.

148. At any time?—No; that would prevent a person from improving his property.

149. Would you allow them to make reductions at any time?—Not unless the tenant made out a good case; and if he made out a good case why should not the Land Board have power to make a reduction instead of putting a man to all the trouble of surrender.

150. Then, if the Board or some of his neighbours could make out a good case why a man should pay a higher rent, should the Board have power to increase his rent?—Yes; at the expiration of his lease.

151. How would it do to make the reductions wait until the end of the lease?—You see, the tenant has it in his power to surrender if he likes.

152. *Mr. McCutchan.*] In a year like this what do you reckon the return would be from two thousand sheep in this class of country?—I suppose, £400 or £500.

153. *Mr. Forbes.*] You say you are a believer in the freehold, and you think it would be better for the country if all lands were freehold?—I would limit the area to, say, 10,000 acres of freehold. It would give occupiers the option of buying if they wanted to. It is not as though the State were going to give the land away for nothing.

154. Do you think a man would be a better farmer under the freehold?—I think he would.

155. You think it would be desirable, then, that every man in the country should be a freeholder if it could be possibly managed?—If he wishes it. I would allow every man to exercise his free-will in the matter.

156. If the Government passes legislation allowing every man under leasehold the right of purchase, would you apply that privilege to the leases held from private owners?—I think I would.

157. You would allow even a man who is leasing a piece of land from the School Commissioners or from a private individual to have the right to purchase the freehold?—I think he would feel a little more independent, and if he were an old man like myself it would leave him freer to dispose of his property.

158. You think the Government are quite right to take the freehold from one man and split it up into small freeholds for other people?—I do not think it is bad so long as they make a profit on it. When one family owns 60,000 acres, and the Government take that and cut it up and place a hundred families on it, I do not see any harm in allowing those people the right to acquire the freehold.

159. *Mr. Paul.*] What would you make the maximum area of freehold a man should hold?—I think, 5,000 or 6,000 acres. It would depend greatly on the nature of the country.

160. Do you not think that if you make the maximum area 5,000 or 6,000 acres there would be a few farmers who would have to go without land?—I do not think so. They are not forced to sell.

161. But it is a question of buying and occupying: do you think there will be any land left for prospective farmers to occupy?—I do not say that limit will be fixed because I propose it. I do not know that there are many people who have money enough to buy 5,000 or 6,000 acres; but I say those who have 5,000 or 6,000 acres should not be allowed to increase their areas.

162. You spoke about men taking up land and paying too high a rent for it?—Yes.

163. What would be the position of a man who paid too high a price for the freehold?—He would have it. He could not get the price reduced.

164. You think a tenant should have his rent reduced if he is paying too much for his section?—I will give you an instance. When I took up my farm twenty years ago I paid 2s. an acre for it, and I found I could not make it pay. I had to surrender, and the Government then reduced the rent to 1s. per acre, and it was taken up by the party who now holds it. Later on some revaluation took place, and the rent was reduced without any surrender to 8d. and 10d. per acre, and that is the rent at the present time.

165. What do you think of the principle of revaluation in regard to future leases?—I think it would be good.

166. Would you be in favour of it?—I think so. If a man has made improvements he will get value for them if he does not take the section up again.

167. In regard to your suggestion, that rents should be reduced without surrender, do you not think that a case like this might happen: Suppose a section of land was offered, and a certain rental was put on it, and one man was prepared to give 2s. per acre for it, while another man was prepared to give 1s. 9d. for it: of course, the man who offers 2s. per acre gets it and the other man is out of court?—Yes.

168. Suppose that later on this man finds that 2s. per acre is too much, and he approaches the Land Board to have his rent reduced to 1s. 6d. per acre: if the Land Board agrees to that reduction without surrender how do you know that the man who was prepared to give 1s. 9d. in the first instance is not prepared to give 1s. 9d. to-day?—You understand this would not be done in a hole-and-corner manner. It would go before the Land Board, and if this man said, "I am willing to give you 1s. 9d. now," they would not reduce the rent any lower than that.

169. And if the first tenant did not go up to 1s. 9d., of course, he would lose it?—Yes.

170. You spoke of the Rabbit Inspector being a bother: can he interfere with you if there are no rabbits on your land?—Yes; he can pull your fences down and give you a lot of trouble, and he does so.

171. What would their object be in doing that?—To save them the trouble of going to the gate. An Inspector does not want to ride two or three miles to go through a gate. I would make every landowner a Rabbit Inspector, and if he did not keep down the rabbits he would be punished.

172. Does a Rabbit Inspector cause any bother at all if there are no rabbits on the land?—Sometimes he says there are rabbits when there are no rabbits.

173. *Mr. Matheson.*] In regard to the constitution of Land Boards, would you be satisfied if you had a Central Otago man on the Board who knew your wants?—Yes.

174. Do you not think that the simplest way to secure that man is to impress on your member the justice of it so strongly that he will impress it on the Minister? Will that not be a simpler way than trying to do it by election?—Yes; but our member is in opposition, and so far as I can see they do not get much.

175. Do you really think that would prevent you getting a man in the way I suggest?—Yes, I do.

176. *Mr. Johnston.*] Why has your farm land depreciated from 2s. per acre to 8d. and 10d. per acre?—It was not worth that rent at first.

177. You had twenty years' experience before you took up that land?—Yes.

178. And you took it up at 2s. per acre?—Yes.

179. Now, a man in your position as a storekeeper usually knows what a farmer is making out of his land?—Yes; but there was very little farming in those days. It was grazing then, and wool was dearer then than it is now.

180. *Mr. Anstey.*] You spoke of Rabbit Inspectors being rather a nuisance: have you any rabbits on your land now?—I have some; every man has rabbits on his land.

181. Are they thick in number or few?—I would not call them thick.

182. Would the rabbits be as well kept down if you had no Inspectors?—Yes; I am satisfied of that. We have the railway here, and I notice in the newspapers that rabbits are bringing 1s. 5d. and 1s. 6d. a pair.

183. You think trapping would keep the rabbits down?—I do. I would also like to say that we have population here, and I think the time has now arrived when the big runs should be subdivided. I am quite satisfied that if a few of the runs in the district were cut up there would be hundreds of applications for them.

184. *Mr. Johnston.*] Are you in favour of the present residential restrictions on all land taken up?—No. I am not in favour of making a man live on one of these small grazing-runs. I think it is a ridiculous thing to ask him to settle amongst a lot of rocks, where he would not see a person twice a year. So long as a man lives in the country and proves himself a *bonâ fide* settler I say the residence conditions should be dispensed with. I must say the Board were very good to me when I applied to be allowed to live at the store. They granted my request, so that I have no complaint to make.

185. *Mr. Paul.*] Which of these runs do you refer to when you say that several could be cut up?—There are Matakanui, Moutere, and Ida Valley. We want close settlement to make the railway pay, and a great many people are anxious to settle on the land.

186. Roughly, you think all these runs are capable of further subdivision?—Yes; in this district.

187. *Mr. McCardle.*] Do you think if these runs were subdivided into reasonable sized areas that the settlers on the lower ground could take up these runs and use them together with their freehold?—Yes.

188. And, you think, to advantage?—I am certain of it. There is a lot of good land at the foot of the hills that people could take up, and I would put some of the tops with them, because they are the best grazing for sheep in the summer-time.

#### JOHN JOHNSTON RAMSAY examined.

189. *The Chairman.*] What are you?—I am a forwarding agent and grain merchant. I appear principally on behalf of the petitioners, who ask that Blackstone Hill Station should be cut up.

190. You might just state your arguments in favour of it?—Mr. Pitches has put it very well when he remarked that if this land was cut up there would be tens, I might almost say hundreds, of applicants for sections of it. That has been the experience in regard to all land cut up here for the last ten or fifteen years. A large number of people in the district have petitioned the Government to cut this run up, and I have been asked to appear before the Commission as one means of bringing the matter before the public. With regard to the cry about "high land," I might say I have heard that raised for the last thirty-five years, since this land was first cut up. In fact, I think I have still in my possession a report, written by your worthy Chairman, in which he said that the land between Hyde and Taieri Lake Station could never be cut up into small areas, and yet all that land is profitably occupied by farmers now. The same cry was raised in regard to Maniototo when it was cut up, and the whole of that land has been taken up. All the mountains, even, are occupied by men who have low country for wintering sheep. In regard to the depreciation in the value of land, I think Mr. Pitches missed one or two points. When land was first opened up here nobody had had any experience of what the land was worth at all, and the consequence was that at that time the value of the land was assessed at something like £1 5s. per acre for agricultural leases and £1 10s. per acre for deferred-payment land, and very few of the men who took the land up were able to pull through. Another reason why the value of the land might have been higher than it is now is that there were no rabbits. I would like to state that Blackstone Hill is admirably adapted for cutting up into small grazing-runs.

191. We had detailed evidence given by Mr. Armour, who said that Blackstone Hill country was worked in conjunction with Hawkdon and the land about Mount Ida, and that Blackstone Hill was used as winter country, and that in that way the very most was made out of the public estate. Mr. Armour was very strong on the point that if Blackstone Hill was detached from the high country no one would take the high country up, and it would revert to the Government. The Government, unfortunately, has had a good deal of experience in that way, and the experience is very expensive, because they have to put on caretakers to keep the rabbits down, and altogether it is an experience they try to avoid. Now, suppose your proposal to cut up Blackstone Hill is

given effect to, what would you say in regard to the working of the Hawkdon and Mount Ida country?—I recognise that the high country would probably have to be cut up in areas to suit the people on the low country. I have pointed out that that sort of thing has been done at Kyeburn, and the settlers are prosperous. The mountains at Pigroot to Dandy's Pass are nearly all held in small holdings, and there is very little low country in them. Some of the settlers have no low country whatever. My reply is that if the high country is of use in one large area it could be subdivided and used in small areas. If it cannot be it is of very little use and it should be allowed to go. There are very few rabbits on the top of the high country, but our experience is that where a rabbit can live a sheep can live. The country up here is so rocky that the rabbits have eaten everything off it.

192. You are quite willing that a portion of the Crown territory should be vacant?—I do not think it is at all necessary, but I am assuming the worst phase of the case. I say it is more essential to have a number of very successful settlers on small areas on the flats than it is to keep it merely for the sake of a bit of high country—to leave it in one big sheep-walk in the hands of one big farmer in Dunedin.

193. You refer to the Kyeburn country, and you are probably aware that Mr. Scobie Mackenzie had the high country behind Kyeburn, and you will probably remember also that his lambing country was taken from him and farmed for some time by a company, who certainly did not make much of a success of it; but the fact of taking that low country from Mr. Scobie Mackenzie, and also some other low country, was to render that run unworkable?—It is still working.

194. It is only working in a sort of way—I mean to say there is not enough low country to enable them to take full advantage of the high country?—That is perfectly true, but the low country is carrying twice as many sheep now as when it was let with the high country. Closer settlement increases the number of sheep on the same area of country. If a man holds 2,000 acres he can also cope with the rabbits far more successfully than the man holding 20,000 or 30,000 acres. The small man very often nets in his run and so can carry much more stock.

195. *Mr. Hall.*] You say that a considerable number of people in this district wish to settle on the land?—Yes.

196. As a general rule, what has been their calling in life?—All sorts. There are a number of young men about who have gathered some money together by rabbiting and general farm-work.

197. Of course, we all know it is a very desirable thing to promote settlement, but, on the other hand, it is a very unfortunate thing to settle people who have neither the knowledge nor the means to work the land?—That is so, but there are very few of them up here. All the farmers here have been very successful. I do not know of one farmer who has gone bankrupt in this district.

198. Is there any great trouble here in keeping down the rabbits?—As a matter of fact, what is really keeping the rabbits down very largely is the rabbit export trade, and all we want is that the Government should give more encouragement in this direction, and provide cool vehicles for taking the rabbits down, instead of setting their faces against the business the whole time. If that were done there would be very little trouble with the rabbits within a reasonable distance of the railways.

199. *Mr. McCardle.*] You have had some experience of the working of the runs in this district?—Yes.

200. You know something of their carrying-capacity?—I know every inch of the district from Lake Wanaka to the Taieri.

201. Is it not a fact that the high country is the best grazing country in the summer-time on these runs?—No; it is not a fact. The best grazing country anywhere are the sunny, salty faces in the low country. The country about the old Taieri Lake carries a sheep to the acre, and the tops of the hills will not carry a sheep to 5 acres.

202. Then, there is a great deal of truth in what the Chairman has suggested, that when you take the low country the tops are of no value at all?—I say that if you take the low country and subdivide it and put settlers on it you will increase its carrying-capacity to double its present extent.

203. You have advocated strongly the subdivision of the lower portions of this country?—I believe the whole lot could be cut up.

204. Then, if these large hill and mountain tops could not be used for these small holdings what would become of them?—But they are used. The same objections were raised in regard to the Pateroa Run, but they have been disproved.

205. You say it would be advisable to make the small runs include the higher ground, and that they could be worked quite well in conjunction with one another?—Yes.

206. Do you think that the people living on the lower land, which they can cultivate, would be able to take up these small runs and use them more profitably with their own holdings?—Yes.

207. Are these low lands suitable for growing turnips and other winter feed?—Yes, in the valleys, but not at Blackstone Hill.

208. And the class of settlers you represent live in this district and have experience of station property?—Yes.

209. *Mr. Anstey.*] You spoke just now of a petition by the settlers?—Yes. It is before the Minister of Lands at the present time. It is the second one that has been sent asking him to settle this Blackstone Hill Run.

210. Have you ever asked the Land Board to throw the run open for settlement?—No. It is usual to approach the Minister first, and he then consults the Land Board.

211. Then, the Land Board has never been requested to subdivide this run?—No.

212. In regard to rabbits, you say they are kept down better on small holdings than on the larger runs?—Yes. If a man has four or five boys and he takes up 4,000 or 5,000 acres of land, the boys go rabbiting and soon clear the ground.

213. Is it easier on a small run to prevent a large mortality amongst sheep in case of snow than on a large run?—Yes. We have odd seasons now and again when a heavy fall of snow covers the whole country.

214. You spoke just now about the export trade being a very good means of keeping the rabbits down: I suppose if this export of rabbits is going to be at all successful you will want to keep up the supply of rabbits?—You cannot keep up the supply if you kill the rabbits. I have had a little experience in that trade, and it shows me that if you offer a fair price the trapper will kill so long as there is a rabbit left to kill and he can make a fair wage out of it.

215. Then, in your opinion that trade in rabbits will probably be a decreasing one?—It is now. The rabbits are not nearly so bad as they were ten years ago. Any farmer will tell you that.

216. *Mr. Forbes.*] What answer did you get to your petition?—We have not got any answer yet. It was only sent five or six weeks ago. We got no answer to the first petition, but a parliamentary Committee was set up and it recommended that the land should be cut up, but nothing as yet has been done.

217. Did you suggest any particular sized areas?—No. We simply asked to have the land subdivided, and suggested that details should be left to the Land Board.

218. How many signed the petition?—I am not quite sure, but for the last land that was opened there were from thirty to fifty applicants for each section.

219. How have the people done that have got them?—They have done well. They cannot help doing well at the present prices. The rents are reasonable.

220. You think it desirable for the district that Blackstone Hill should be cut up?—Yes.

221. *Mr. Paul.*] You anticipate that landholders on the flat would take up these runs?—I think that the bogey of the high land should not prevent the settlement of the low land.

222. You think that is how most of this land should be taken up in the low country?—Yes. It would result in increased settlement. You could cut Blackstone Hill up in areas from 700 to 800 acres up to 1,500 acres on Blackstone Hill proper.

223. The main thing you hope for from this cutting-up of the runs is increased productiveness of the land?—Yes. What chance have people who have been born and bred in the district of getting a piece of land.

224. *Mr. Johnston.*] Was the cutting-up of Hamilton Run a success?—Yes. The whole of those tops are being worked successfully.

225. Was the cutting-up of Paparoa a success?—Yes, so far it has been.

226. Who has got the high country there?—It is held by different people.

227. Are there any other runs there fit to cut up?—Puketoi is an ideal country for cutting up. I cannot say as to the others.

228. Are none of the Maniototo farms making money?—The leaseholders are doing pretty well, but you must remember that nearly all of them had their land revalued.

229. You do not know on what basis these first values were put on the land?—Nobody knew anything about the value of the land. Some people thought a man could live on 200 acres of land.

230. You do not know of anybody living on 200 acres in Central Otago?—Yes, and doing well.

231. *The Chairman.*] Do the farmers on the Maniototo Plain succeed from year to year in getting good crops?—No. Cropping is not very successful. The proper farming is principally mixed farming.

232. But with irrigation they can grow very well?—Yes, but the difficulty is to get the water.

#### BRYAN FLANNERY examined.

233. *The Chairman.*] What are you?—I am a farmer and storekeeper. My farm is 320 acres, in Ida Valley, and I have 100 acres at Ophir. They are under freehold tenure. I have held the Ida Valley land for twenty-three years, and the 100 acres for five or six years. I got the 320 acres under the deferred-payment tenure. I use the improved land for mixed farming. My homestead is at Ophir, but I have a house at Ida Valley. We are talking here about the tenure of the land, but we have no land for settlement. There is not a vacant section from Ida to Queenstown, and there has not been for the past twenty years. I want more land for my family.

234. Do you think the 420 acres you have got is sufficient to rear a family on?—I would like, as my family grow up, that they should be able to do for themselves. I can make a living on the 420 acres, but I do not think it is quite sufficient for a man with a large family. It is very hard upon young people who have been brought up in the district that they should have to go away from their parents because there is no land available for settlement here. I think that an opportunity should be given to the young people here to take up land in the district.

235. You are well aware that in both Ida Valley and here there is a very large estate belonging to the Government. Do you think any of this Crown land could be settled more closely than it is now?—My opinion is that it will carry hundreds of families. I am prepared to say that there is as good land from Dunstan to St. Bathans as there is in this flat. That land is now occupied under three pastoral leases. There is as good land there as I hold in this flat. There is a sample of oats at the door of this room, the crop having been 35 bushels to the acre without manure.

236. You say there are only three occupiers of pastoral leases within a distance of about forty miles, and that this land might be subdivided: how would you mark it off?—I have heard a good deal of evidence to-day as to what number of sheep it is necessary for a man to have in order to make a living from them. These people may have their big ideas—what they think the poor people of the country are going to live on. I think that a ewe is worth £1 a year. The lamb is worth from 15s. to 18s., and I think I am right in saying that on the Ida Valley Run the average clip is about 8 lb. In that case if a man runs a thousand sheep he makes £1,000 in the twelve months. His rental would probably be £50. Then, take another £50 for incidental expenses. That would give him £900. I think if a man has sufficient land to run from five hundred to seven hundred sheep, according to the nature of the ground, he can make a living.

237. How are you going to divide the Dunstan Mountains?—I would divide them into small runs.
238. How many acres would be required for a thousand sheep there?—I think 2,000 acres will run a thousand sheep at Matakauui and Moutere. They are well watered and well grassed. If we cut the runs into larger areas than I have suggested the young people in the next thirty years will have no land in this district to settle on.
239. Of course, in the cutting-up some regard would have to be paid to the configuration of the country?—Yes.
240. *Mr. Hall.*] Have you had experience of sheep-breeding?—Yes.
241. The results you have stated seem good?—Yes.
242. I have had experience in that for forty years, but I have never been able to find out the secret of bringing things out so well?—There are three small runs from here to Chatto Creek, and their returns justify the statement I have made.
243. *Mr. McCardle.*] I quite agree that where the land is suitable it can be cut up into small areas and profitably occupied, but a good deal of this is rough country, and you cannot always count on the high price of wool such as has prevailed during the past year?—When wool was at a lower figure there was an ordinary good living for a man.
244. Does your experience extend to a knowledge of rough run country?—I have for many years watched closely the working of the runs.
245. Is your experience sufficient to enable us to say that it is advisable to cut up these runs in the way you suggest?—That is my opinion.
246. You are quite satisfied that if the land you mentioned is cut up into suitable areas it would be taken up?—Yes.
247. *Mr. Anstey.*] With respect to the profit on a sheep, you said you reckoned that a ewe would produce £1 profit, and you said that lambs were worth from 15s. to 18s. each: are you aware that the prices you mentioned are considerably above the average value of prime fat lambs at Addington, for instance?—No; I am not aware of it.
248. I tell you it is so. Do you consider that lambs bred on some of these runs would be equal or superior to the best lambs grown in New Zealand?—I have seen at one station recently as fine sheep as there are in New Zealand, and they are the same sheep as will be grown on the tops of these mountains.
249. Can you tell us what the average lambing is on these hills?—No; but I heard on good authority that it was 100 per cent. in Ida Valley.
250. You say that on this high country every ewe will produce a lamb equal to the top price of the best in New Zealand?—No; I do not say every ewe in the high country. If you farm the low country with the high country you can work the tops profitably.
251. Would there be no loss on account of dead ewes?—I suppose so.
252. That would come off the profits?—Yes.
253. Are you aware that in the great bulk of this high country there is no increase in the sheep?—It has been stated to-day in one case that the loss was only 6 to 7 per cent., which is not a great loss.
254. We had it in evidence that the loss was 57 per cent. on one run in one year?—Yes. In regard to my estimate of the profit of a ewe I stated that the profit could be made up to about £1.
255. Are the tops of these hills suitable for crossbreds or for merinos?—They are suitable for crossbreds as well as merinos.
256. You think that 6s. is a fair average value of the clip per sheep?—I think it is very good value.
257. *Mr. McCutchan.*] What is the cost per thousand sheep in working-expenses?—I could not say.
258. *Mr. Johnston.*] Of course, you based these values on a very successful year?—I go back to ten or twelve years ago, when wool and lambs were low.
259. Have you never seen ewes sold here at less than 10s.?—I referred to what profit they would produce. There is a great difference as to the carrying-capacity of a sheep. Then, runs have a considerable number of cattle and horses, and that reduces the number of the sheep.

## ALEXANDER ARMOUR further examined.

260. *The Chairman.*] Do you wish to make a further statement to the Commission?—Yes. In 1895 we lost through snow thirty-three thousand sheep. At that time we shored something over fifty thousand. In 1903 we lost seventeen thousand by snow, and we shored about twenty-three thousand that year. This year we have got up to thirty-four thousand five hundred. I think in 1899 the death-rate went up to 10 or 11 per cent.
261. Do you consider that the sheep you have now is the proper number of the flock?—No; we could carry from six to eight thousand more sheep in ordinary seasons.
262. *Mr. Hall.*] What is the market-value of your lambs, when weaned, on the station at present prices?—I should say that merinos are worth about 10s. and crossbreds about 12s. 6d.
263. And in previous years, when the price of sheep was low?—We never sell lambs; they are generally taken into stock at about 4s. 6d.
264. It takes all your ewe lambs to keep up your flock?—We keep all our lambs.
265. Wool now is worth how much, when put in bales in the shearing-sheds?—For my own wool I got 10½d.—the highest price at Dunedin.
266. And three years ago what was it?—I got 8d. or 9d. at Home. Crossbred wool was just about 6½d.
267. *Mr. Anstey.*] You say you never sell any lambs?—Unless we have a few fat ones about the paddock.
268. We had evidence that on this high country the average production was 100 per cent. of



lambs, and they were all prime, fit for market?—Probably if we got a quick return like that we would sell them.

269. You said just now you never sell any lambs?—We have sold about three hundred fat lambs this season.

270. You get no fat lambs on high country?—No; we never expect to get them.

271. What you sell are old ewes and wethers?—Yes.

272. What percentage of them do you sell every year?—I dare say from 25 to 30 per cent.

273. Can you give us the average price, say, for the last ten years?—We have sold them as low as 3s. 6d., and this year we sold a few at 15s. I should say the average would be about 6s. The average price for wethers would not be that. The highest price for wethers last year was 8s. I suppose the average price would be about 3s. 6d.

274. It is the culls that are the profit?—Yes. It is a very hard thing for me to give the real value; it is an approximate value.

275. *Mr. Forbes.*] What do you say would be the average produce of a crossbred ewe on the high country this year? What percentage of lambs do you reckon?—Our average this year was about 76 per cent.

276. This has been rather a favourable year?—It has been the best year we have had.

277. What is the lowest you have had?—After the heavy snow it was about 53 per cent., I think.

278. Would 10 per cent. cover the loss in ewes?—Yes; about 10 per cent.

279. You gave the average on the station at 7 lb.: but the ewes would not clip that?—No.

280. Would not 6 lb. be nearer?—5 lb. to 6 lb.

281. *Mr. Paul.*] Do you know any of the country about here that could be cut up so that 2,000 acres would run a thousand sheep?—No. It would want to be very choice, unless there was winter feed grown.

282. Over all, what does it carry, roughly?—About a sheep to 3 acres.

283. *Mr. Johnston.*] What do you reckon your crossbreds will clip, ewes and wethers combined—I mean on the high run country?—About 6 lb.

284. Are there any crossbreds reared on these hills?—Yes.

285. What is the cross?—There is a dash of Cheviot and halfbred Cheviot ewes.

286. What do the halfbreds clip?—They go a little heavier.

287. What would a halfbred wether clip?—About 7½ lb. The average would be about 7 lb., and the ewes about 5 lb. or 6 lb.

288. You do not think it is possible to make £1 out of them?—A farmer could on the flat, but I do not think it is possible on the hills.

ALEXANDER TRUSDALE examined.

289. *The Chairman.*] Are you a miner and farmer, Mr. Trusdale?—Yes.

290. How much land have you got?—400 acres. There are 200 acres of freehold and the rest is on lease in perpetuity, for which I pay about 9d. per acre. I have had the leasehold land about ten years.

291. Are you quite pleased with that tenure?—Yes.

292. How long have you held the freehold land?—About twenty-five years.

293. Under what tenure did you obtain that?—Under the deferred-payment system.

294. To what use did you put the land?—Growing crops and raising sheep and cattle.

295. What stock have you just now?—About three hundred sheep, perhaps twenty head of cattle, and six or seven horses. My farm is at Matakanui, between four and five miles from the Omakau Railway-station.

296. Your object, I believe, is to make known that you would like to have more land?—Yes.

297. Do you wish to settle some of your family on it?—Yes. I would like some agricultural land for them.

298. Is there any land in your vicinity that, presuming it was opened, would suit you?—Yes, on the Matakanui Run.

299. *Mr. McCardle.*] Are you acquainted with the runs surrounding this district?—Yes.

300. And you say that the land you want can be got in a particular run?—Yes.

301. In what areas might the land be cut up to provide suitable farms?—From 400 to 600 acres.

302. Would it interfere very much with the runholder if the land were taken away from the run?—I do not think it would.

303. Have you had any experience with sheep on runs?—Not a great deal.

304. Do you think those runs are suitable for subdivision?—Yes, I fancy they are. The land I have is only second class. I have a good water-race, and I have done other improvements.

305. Is the Matakanui Run a large one?—I could not say what the area is.

306. You approve of the leasehold?—Yes, or the deferred payment.

307. Do you think that the amount of land that any one person can hold should be restricted to a reasonable area?—Yes. I think 600 acres of agricultural land or 2,000 acres of second-class land would be sufficient. It would all depend on the quality of the land.

308. Are the settlers generally met in a fair way in their applications to the Advances to Settlers Board?—Yes; I think so.

309. Do you think the Act might be amended as now proposed—viz., to place the settler on those lands in pretty well the same position as regards his lease as persons holding a freehold—that is to say, to increase the advances from half to three-fifths of the value of the improvements?—I think that would be an advisable alteration to make.

310. Do you think it would assist in developing the resources of the colony?—Yes.

311. And the Government would really be your mortgagee as well as your landlord?—Yes.
312. Are you satisfied with the Land Board as at present constituted?—Yes.
313. *Mr. McCutchan.*] If land is made available which tenure would you prefer?—The deferred payment.
314. If you had had the option when you took up your lease in perpetuity would you have taken your land on the deferred-payment system?—Yes.
315. Would you like to see the old deferred-payment system restored?—Yes, I would.
316. *Mr. Anstey.*] Do you know that there is a difference of 1 per cent. between the deferred payment and the lease in perpetuity?—Yes.
317. Would you rather have paid the extra 1 per cent.?—Yes.
318. Have you mined in this particular district?—Yes, a good deal. I was sluicing.
319. Has it come under your notice that good land in this district has been spoiled by mining?—A certain amount of it has been spoiled.
320. I refer to good agricultural land?—No, I do not think so. It is mostly along the bottom of the range that the mining is carried on. There is not much mining on the flats.
321. Do you think the good land might be worked without being spoiled?—I do not see that it could.
322. Do you think the fine stuff might be left on the top and the ground made fairly level?—I do not think that could be done very well. I think, however, that useful ground might be made with the tailings if they were made level.
323. Do you think it would be very expensive to leave the tailings fairly level?—No. It would not be very expensive.
324. There would not be much objection if the miners were forced to level the tailings?—No, I think not.
325. *Mr. McLennan.*] You are satisfied with your lease?—Yes.
326. And you say you would rather have the option of the freehold?—Yes.
327. If you got the option of the freehold would you be agreeable to take the value of your improvements and let your lease in perpetuity go to auction?—I would not be particular. I would be satisfied to take up ground either on deferred payment or on lease in perpetuity.
328. What I want to know is this: if you got full valuation for your improvements, would you be satisfied if your lease was put up to auction and other people were permitted to compete for it?—No, I would not.
329. Would you sooner have your lease as you are than that such a thing should take place?—Yes, I would.
330. *Mr. Johnston.*] Do you know if freehold land interferes with mining in any way?—I do not think it does.
331. You have never had freehold land at the end of a tail-race?—No.
332. Do you know whether freeholders have ever taken out an injunction to stop the depositing of tailings on their land?—I have heard of it.
333. And it stopped a man from mining?—Yes.
334. It has not occurred in this district?—Not that I am aware of.
335. You are satisfied with the living you are making out of the farm?—Yes.
336. Are you satisfied with the value put on your land?—Yes.
337. *Mr. Hall.*] Is the land suitable for agricultural purposes?—Yes.
338. What do you think the value of it is for the purpose for which you want it?—I do not think I could answer that question.
339. *Mr. McCardle.*] Is there much land available in this locality for farming?—Yes, a few thousand acres.
340. There is room for a number of settlers?—Yes.
341. *Mr. Matheson.*] Are you on Spottis Creek?—Yes.

## WILLIAM LAIDLAW examined.

342. *The Chairman.*] What are you, Mr. Laidlaw?—A sheep-farmer.
343. Your run is the Matakanui?—Yes.
344. What is the extent of it?—53,985 acres.
345. You are under the pastoral tenure?—Yes.
346. Are you on the fourteen- or the twenty-one-years lease?—Neither, unfortunately. We came under the Pastoral Tenants Relief Act of 1896. At that time the bulk of the run was put up for fourteen years and one subdivision under class 2, which could be resumed on twelve months' notice. Notice was given that the block would be resumed, and we hold the balance, which falls due in fourteen years from 1896—that is, in 1910. I might further explain the position in this way: Some time ago an agitation was got up in this district for land, and the matter came before the House, but nothing more was then heard of it for a time. I thought it had died out, but two years ago Mr. Barron came up to Tinker's to see what land the people there wanted. They all wanted land there at that time, and they asked for a 7,000-acre block. We made representations to the Government that if that 7,000-acre block of lambing country was taken from us we would have to consider the question of throwing up the rest of the run. After repeated representations to the Government Mr. Marchant himself came to report on the block. He came to Tinker's with Mr. Barron, and we went over the ground with several of the petitioners. Before we had gone far they declared they did not want that class of land. It was pastoral, they said, and they wanted agricultural. Eventually a compromise was arrived at. We agreed to give up 1,380 acres of agricultural land close to Tinker's, in consideration for which we got back the subdivision of 7,000 acres of pastoral country. It is now all under one license, which expires in 1910.
347. How much stock do you carry?—We have not recovered from the effects of the snow-storm of 1903 yet. We shored 11,200 sheep last year.

348. What were you carrying before the storm?—Seventeen thousand-odd. We lost 7,288, or 41 per cent.
349. What is the average loss in ordinary years?—Including the 1896 loss and the 1903 loss, it comes to  $11\frac{1}{2}$  per cent. for ten years.
350. Can you keep up your stock by your own increase?—I had to buy last year. That is the first time I had to buy.
351. *Mr. Johnston.*] That was owing to the bad winter of the year before?—That is so. Taking eight years and leaving out the two bad years, the death-rate was  $6\frac{1}{2}$ .
352. What is the class of sheep?—Principally merinos.
353. What is your average clip?—In bad seasons it has been down to a little over 5 lb., and in good seasons it has been over 8 lb.
354. In your run have you a due proportion of winter and summer country?—I have sufficient summer country for the amount of winter country that I hold.
355. *The Chairman.*] Do you say that you can keep up the stock with the annual increase?—The average increase per annum for the past ten years, taking bad years, was only  $53\frac{1}{2}$  per cent., and the death-rate, as I have said, was  $11\frac{1}{2}$  per cent. That is the position. The lambing flock is too small to work the run to advantage.
356. Do you sell old stock?—Yes; they must of necessity be sold.
357. Do you sell lambs?—Yes, off the freehold.
358. What is the extent of the freehold?—2,100 acres.
359. That is low country?—Yes.
360. *Mr. Johnston.*] Is it included in the other?—No, but I work the two together.
361. *The Chairman.*] Have you any cattle?—A little over two hundred.
362. You have a good deal of mining on your run?—Yes.
363. Does that trouble you much in working the station?—There is always a certain number of sheep getting into the races.
364. I suppose the mining is on the low ground?—Yes, along the foot of the spurs.
365. How many subdivisions are there in the run?—About ten, without the home paddocks.
366. Have you ever tried surface-sowing?—Not on the leasehold, but I have tried it on the freehold, and it has been very successful.
367. You might inform the Commission how you proceeded in that matter?—The tussock was burnt off and the grasses sown broadcast in the early spring.
368. Any particular grass?—Cocksfoot, ryegrass, and clover.
369. Has the ryegrass kept pretty well?—It has stood very well. It has been about twenty years there.
370. Was the surface-sowing done about twenty years ago?—Yes.
371. And none since?—No.
372. And it is still good?—Yes.
373. Are rabbits numerous?—I have my full share of them this year.
374. You require to poison twice a year, I suppose?—Yes; I find that they do not take the pollard now. It is my first experience of pollard not being a success.
375. Can you account for it?—No. On several other places it is the same, and I have heard no explanation.
376. Would the taking of any portion of the run from you seriously diminish the carrying-capacity of your run?—If any more low land is taken from the run it would certainly decrease the carrying-capacity and very seriously interfere with the profitable working of the run.
377. *Mr. Hall.*] I suppose your run carries about a sheep to 5 acres, taking it all over?—A little more. I am understocked this year because I have not recovered from the effects of the snow-storm. I was carrying a little over seventeen thousand before the snow-storm, which is about 3 acres to the sheep.
378. Do you say that if you were deprived of much of the lower land you could not work the run profitably?—That is so.
379. Would a good length of lease induce runholders to improve their runs, as regards sowing grass and keeping down rabbits?—I think so.
380. Do you think that restrictions as regards cropping for winter feed ought to be removed?—Yes, I certainly do.
381. I suppose you have knowledge of the runs generally?—Yes.
382. Would these runs if broken up into smaller holdings be suitable for working sheep?—It is practically all merino country here. All the flat country has been taken off as far as possible, and I think the position of the runs now would not admit of more being taken.
383. Could a run of 50,000 acres be divided into five or six areas and worked profitably?—I would make long stretches running up and down the hills.
384. Would these smaller runs bear the cost of fencing and management, and so on, and be profitable to the holders?—I think that a matter of 5,000 acres would be too small if that country were cut up. Two thousand sheep ought to be allowed as the carrying-capacity in cutting up any country.
385. Are you satisfied with the constitution of the Land Boards?—Yes.
386. Should they have increased discretionary powers?—Yes, I think so.
387. In grazing these runs should care be taken that no noxious weeds are introduced—should the Government interfere?—I thought the Government ought to interfere in the sale of the winnowings from a number of cleaning-machines. I know that refuse has been bought and sown over the country. The Government ought to see that that refuse is destroyed. Members of the Stock Department ought to examine any seed that is sown.
388. It would increase the grazing-capacity of runs to sow them down?—Yes. That is a matter that touches indirectly on the question of tenure, concerning which I have something more to say. As is well known, practically no grass-seeds have been sown on the pastoral leases, and

what with occasional droughts and the natural process of stocking—under rather than over—the native grasses are eaten out. In addition, there have been occasional fires, and rabbits have helped in the same direction. Then, under the present tenure, towards the end of the lease the licensee naturally stocks the land to the very utmost of its carrying-capacity. That is only to be expected. The result is that the land is found to go back, the rents from the pastoral runs decrease, and I think it is pretty well recognised as a fact all over Central Otago that the carrying-capacity has very seriously decreased during the last fifteen or twenty years.

389. To what do you attribute that?—To the causes I have named.

390. Do you not think that resting the ground is necessary?—We try to get as much as we can out of the land during our leases. We are liable to be turned out at any time. I think a runholder ought to be allowed to cherish a sentiment in regard to the possession of a piece of land of his own to make a home for himself and his family, and that is more than any pastoral tenant of the Crown has been allowed to do.

391. During the last fifteen years not many leases have been falling out?—Speaking for myself, I never knew what peace was until I came under the Pastoral Tenants' Relief Act, and then I knew I was certain until 1910.

392. The fourteen-years lease was not enough to induce you to sow?—The 7,000-acre block was subject to resumption at any time. The suggestions I would like to make are these: That all pastoral tenants whose leases have not expired by, say, the 31st March, 1906, should have the option of renewing them for fourteen or twenty-one years from that date at a rental to be fixed by arbitration. The new leases should contain the following clauses in regard to improvements: (1.) If during the term the lessee shall expend a sum to be named by arbitration in improvements he shall have the option of renewal of his lease, at a rental to be fixed by arbitration, twelve months before expiry for a further period of fourteen or twenty-one years, such renewal to be on the same terms as the existing lease. (2.) Such renewed lease shall state the arbitrators' value of improvements for which the lessee is entitled to compensation under the lease referred to in paragraph (1). (3.) The lease to be put up by auction if the lessee does not give seven months' notice of his intention to renew his lease for a term of fourteen years or twenty-one years, and the incoming tenant shall pay to the Receiver of Land Revenue three-fourths of the value of the then existing improvements as fixed by arbitration, and also three-fourths of improvements referred to in paragraph (2). Such auction shall take place, say, six months before expiration of lease. Improvements shall include buildings, plantations, fencing, ditches for draining, roads and bridle-tracks, snow-shelters, and the sowing of grass approved by the Land Board (cocksfoot, Chewing's fescue, crested dog's tail, ryegrass, blue-grass, and clovers). Lessee before making such improvements shall inform Land Board in writing of the improvements he proposes to make, and when made shall forward a statement and vouchers showing cost of same. If twelve months before expiration of lease the Governor is of opinion that the lease is wanted for close settlement he shall give the tenant twelve months' notice, and lessee shall be paid three-fourths of all improvements.

393. *Mr. Hall.*] I understood you to say that the runs have gone back in carrying-capacity during the last fifteen years?—Yes.

394. To what is that due?—Perhaps overstocking, and possibly fire, and the native grasses being eaten out.

395. Do you think the runs would be improved again if the tenure was sufficiently long and the other conditions fair?—Yes; I think the tenant would treat it as a freehold property, and that he would not overstock.

396. Did I understand you to enumerate amongst the things for compensation the sowing of grass?—Yes.

397. Would that mean that the Government should bear the cost of the seed, or that there should be compensation at the end of the lease?—The tenant would pay for the sowing. It is always an asset that he reaps a benefit from. If he loses the run the incoming tenant pays three-fourths of the value of the improvements.

398. Would it not be very difficult to determine the increased value given to a run by grass-sowing?—I think it could be given effect to.

399. *Mr. McCardle.*] You said the grass-seed should be inspected by the Stock Department: do you think that would be sufficient to prevent against Canadian thistle and ragwort?—We do not know much about ragwort up here. I think it would be a sufficient safeguard.

400. Do you not think in the interests of the sower a much better plan might be adopted—namely, while the grass was in a growing state that it should be inspected with a view to seeing whether it is clean or not?—A number of noxious weeds can be taken out in the cleaning state.

401. You can get any amount of rubbish after it has been machine-dressed, but if you get the paddock clean before it is cut you know then that you have no weeds?—That is so.

402. You know there is a great demand for land in the colony, and in this particular district it seems there is no land available except that included in the runs: do you not think by extending the leases as you propose that it will shut out closer settlement in those runs for a considerable time?—This country is not adapted for closer settlement. The Government got the offer of 322,000 acres the other day, and they did not take advantage of it.

403. Are there any improved estates in the neighbourhood that could be purchased by the Government?—No.

404. Would the 2,000 acres you hold on freehold be suitable, or is your station homestead on it?—More than half of it is assessed, I think, at £2 15s. improved value.

405. That would be the sort of land for closer settlement: I do not think the price is too high if the quality is good?—The land is not good. That is the Government valuer's value for it. There is a lot of very poor land in it.

406. *Mr. McCutchan.*] You said you sowed ryegrass on your freehold and that it does very well. Is there much of the leasehold that could also be sown?—In the gullies.

407. Why did you not try sowing grass on your leasehold?—I did not know when I would lose the ground.

408. You said you recommend dog's tail: had that been tried on the hills here?—I cannot say.

409. There is a grass sown in the North Island called danthonia: do you know if that grass has been tried here?—I do not know the grass.

410. *Mr. Anstey.*] You say the tenant would be entitled to three-fourths of the cost of these improvements. In the case of ordinary wooden buildings the value would be gone at the end of twenty-eight years?—The improvements could be valued at the time the tenant takes possession, and at the end of fourteen years there is a fresh valuation.

411. Then, I think you ought to alter the word "cost" to "valuation" of improvements?—The present lease allows up to three times the rent for improvements.

412. With respect to grassing, I presume the reason why you do not grass is owing to want of security of tenure?—Yes.

413. If you had security of tenure would that be an encouragement to leaseholders to grass?—Yes.

414. If you got security of tenure would there be any objection to inserting a clause in the lease providing for grassing?—No; but that would have to be judiciously exercised, because there are different classes of runs.

415. But there would be no objection to some compulsion in respect to grassing?—No.

416. You do not include the dry flock as natural increase—the average?—No; and that was taken in the very worst seasons, too.

417. Your average lambing, you say, is 53 per cent. of the ewe flock?—Yes.

418. What would you consider a fair average profit per sheep—it would not be £1, as one witness stated?—No; I suppose about 5s. a head would be the wool-money. Freezing crossbred lambs would be worth 14s. When I say that I had an increase of a thousand, it was after selling off the old sheep. The gross profit would be about 6s. 6d.

419. Are there any settlers on the land?—There are occupation licenses, but there are no houses on the sections. The land was taken from me about two years ago.

420. *Mr. Johnston.*] What is the altitude of the highest point of your country?—4,794 ft.

421. What is the homestead?—About 1,150 ft., and some of it runs down to about 1,000 ft.

422. What is the height of the snow-line?—About 2,500 ft.

423. Is Thomson's Pass in your run?—Yes; about the middle of it.

424. Do you lose any sheep through the gorges?—No.

425. Has any Italian ryegrass been sown?—No. I have sown it, but not broadcast.

426. How high did you try sowing ryegrass?—About 1,150 ft. I would not go much higher than that.

427. What would you sow in the high country?—Cocksfoot and clover.

428. How would you propose grassing, say, 500 or 1,000 acres in the high country?—I would begin by sowing broadcast in the gullies—burning off and sowing it, the same as is done in the North Island.

429. Do you get good burns in this district?—Yes.

430. How would you burn and sow?—Just clear the gullies to begin with, and sow broadcast, without interfering with the stock at all. I think it would spread itself.

431. Would it spread over the top ridge?—It depends on the nature of the ground.

432. It would be a satisfactory way of grassing the run?—Yes.

433. You said you did not grass any of the leasehold?—My reason was that I did not desire to effect any more improvements than were necessary.

434. You do not know the area of low country you have as compared with the high country?—I suppose there are about 14,000 or 15,000 acres of low country.

435. Do you know instances where "seconds" and "thirds" have been deliberately bought and sown on the land?—I know one place.

436. Leasehold Government land?—Yes.

437. What was the result?—I suppose "as a man soweth so shall he reap."

438. You say the carrying-capacity has greatly decreased—has the value of the land decreased proportionately?—The rentals have very much decreased.

439. You mentioned Chewing's fescue: would you put it on the tops?—No, on the low land.

440. Have you any experience of tree-planting being done?—Nothing beyond the trees around the homestead.

441. Do you think it would be advisable to plant trees?—Poplars, willows, spruces, and larches are all you can plant up here. *Pinus insignis* and *Pinus macrocarpa* will not do here. The frosts kill them.

442. Would it not do to plant English forest trees here?—There is a very fine plantation of young spruces at Burwood, on the banks of the Taieri. The want of water and irrigation is the great drawback up here.

443. If you had the command of water would it not be a great advantage?—There is no question about that, but I cannot get a drop now because it is all taken up by the miners at Tinker's.

444. What do they do with the surplus water?—There is no surplus in the summer.

445. If you had races in the front of your run it would be a very considerable advantage?—There is no doubt about it. I do not see why the "tail" water should not be used by the settlers on the flat. You will see what has been done by Mr. Wilson on his farm on the way to St. Bathans's.

446. Have you had any experience of miners interfering with freehold land, or freeholders interfering with the miners?—A freehold was interfered with in my case. A pre-emptive was taken up before gold was discovered at the mouth of Thomson's Creek, and they wanted to stack their tailings on the land. We sold it to them, the Government paying part and the miners part. That was about twenty years ago.

447. Do you think that the freehold where mining is concerned is detrimental?—The miner is well safeguarded.

448. Are you a believer in the freehold or in the leasehold?—I am a believer in the freehold.

449. Do you believe in the Government giving a freehold title in the case of these high runs?—I do not see why they should not do so.

450. I mean, to allow you to buy your run?—Yes. I believe in the principle.

451. Would it be in the interests of the colony to allow the sale of these runs of immense areas of land?—I think they would be quite glad to get rid of some of them.

452. The question is whether, from a national point of view, it is advisable?—Possibly, so far as the State is concerned, it might be better to leave them as they are.

453. Provided there was a good tenure and compensation for improvements?—Yes.

454. *Mr. Matheson.*] You said the agriculturists might use the tail water without hurting mining interests?—Yes.

455. Does the law prevent you?—The miners objected to water being taken out of a sludge-channel, because it would naturally cause a block where the diversion was made, and might cause trouble.

456. Supposing the agriculturist became responsible for keeping the sludge-channel clean?—Yes. I think an arrangement could be arrived at. Most of the companies stack almost all their heavy stuff, and for very many years to come the light stuff could be stacked in the open tailings.

457. In the case of an area small enough to be properly worked, do you think it would be wise to allow the freehold to be granted?—On some runs I think it would pay the Government to sell outright.

458. Do you think it would be the best encouragement to a man to make the best use of the land?—Yes; I think so.

459. How are the values of improvements and the rentals to be arrived at under your scheme?—All the values are to be arrived at by arbitration.

460. *Mr. Hall.*] Would the Government be justified in encouraging or assisting in the planting of trees that would be valuable for timber purposes, and would such trees do on the higher land?—I think larches would do right enough, but I question very much whether you can get people to grow them.

461. *The Chairman.*] If the freehold was granted it would at once put an embargo on the miners and would interfere with the freedom of action of the Government to a great extent?—I think the miners are pretty well protected. Existing rights could be protected. There are thousands of acres that will not be wanted for mining.

JOHN WILSON examined.

462. *The Chairman.*] What are you?—I am a farmer, and farm 1,000 acres three miles from Ophir. I have 550 acres of freehold and 450 acres on deferred payment. I have got a small run of 1,298 acres as well, and I pay 6d. an acre for it. It is about a mile and a half from the farm. I grow wheat, oats, turnips, hay, mangolds, and potatoes. I have about 150 acres of white crop this year, and 150 acres of green crop.

463. Do you wish to bring anything before the Commission, especially with respect to irrigation?—I find irrigation to be very profitable. I irrigate all my land that it is possible to cultivate. It is the grass land that is mostly irrigated. I have two heads of water in one race and three heads in another, but I have not half enough water. I consider it would pay the Government handsomely to invest a million of money in big irrigation schemes when there is so much water going to waste in the district. A permanent supply is to be got in either the Manuherekia or Dunstan Creek. The sludge-water, after the diggers have done with it, is valuable for irrigation. There are various ways of irrigating. I run plough-furrows along the higher levels. I turn the water on on the 1st October to the 1st May. I start at one end and work it right through, and then come back again. One good soak when the crop is about 4 in. high is sufficient. I work both the freehold and leasehold land together. To give you an idea of the value of irrigation, I may say that 600 acres partly irrigated supported twelve hundred crossbred ewes since lambing, and there was 100 per cent. of lambs, and it supported them well—they are all fat. The lambs were prime freezers. There were no turnips in the summer, but I feed with turnips in the winter. Irrigation would make Central Otago the most fertile district of the colony. I have been called to task because I do not live on my small grazing-run. Part of my time is divided between the run and my farm, and I think when a settler is in the district—and it being impossible to reside on both—the Land Board ought to have discretionary power to grant exemption in such cases where two sections are worked in conjunction. I would like the Commission to make a recommendation to that effect.

464. *Mr. McCardle.*] Is there any distinction between the holder of a small run and the holder of a large run as to residence?—I cannot say, but I have been called to task for not residing on my run. I have more than double the value of the improvements required by the Act, and have sown permanent grasses on the land.

465. *Mr. McCutchan.*] You still hold one section on deferred payment?—Yes.

466. What do you think of that tenure?—It is a very good tenure.

467. Do you think the deferred-payment system should be restored to the statute-book?—Yes. It gives a poor man a chance of gradually acquiring a freehold.

468. What do you think of the administration of the Advances to Settlers Department?—It has been a very good thing for the colony.

469. Are you satisfied with the constitution of the Land Boards?—Yes.

470. You think that nomination by the Government is best?—Yes.

471. *Mr. Anstey.*] Would it be very useful for a person possessing a small irrigated farm to have a fairly large portion of high country, not necessarily adjoining, but within easy reach?—Yes. The two together could no doubt be profitably worked.

472. But you want an alteration in respect to residence conditions?—I think the intention of the Legislature was that it should only affect absentee landlords or speculators living in the cities and holding land for what they could make out of it. I do not think the Legislature intended to harass settlers who desire to improve their property.

473. *Mr. Johnston.*] Do you know of any one large runholder who lives permanently on his run in this district?—I would rather not answer that question.

474. You have got a race simply for irrigation purposes?—Yes.

475. Are you using sludge-water?—Sludge-water is the most valuable water of the lot.

476. One witness said there was some difficulty about it?—I think, only in imagination. It requires labour to be employed.

477. It costs money to get the sludge-water?—Yes; to construct the races and look after them.

478. Are you using sludge-water from your own race?—Yes; I take it out of Muddy Creek.

ST. BATHAN'S, THURSDAY, 16TH MARCH, 1905.

WILLIAM PYLE examined.

1. *The Chairman.*] What are you?—I am a storekeeper and farmer, and I am interested in mining. I hold 320 acres of freehold. I also hold a small area of 7 acres under lease in perpetuity. I took up 320 acres under the goldfields agricultural lease system, and I converted them into freehold. I have held them about twenty-five years. I keep stock, and also do some cropping. For some years my 320 acres were worked with similar areas held by some other farmers. The whole of the sections were ring-fenced, and crops were taken from different portions of the land, but none from my ground. I may say that we wound up because we found that system of co-operative farming did not work well. Individual effort was required. We have grown splendid crops of wheat in this neighbourhood. I have known as much as 50 bushels of wheat to be grown, and the crops of oats are usually very good. It is also good turnip country.

2. Is there any irrigation of the land?—To some small extent there is, and great benefit has resulted from it, because the land is all of a porous nature and irrigation does not sodden it.

3. Does mining interfere much with the mining here?—The miner does not interfere much with the farmer, but farming interferes with the mining in this way: when a mining right is required, either for a water-race or for a tail-race or anything of that kind, it is generally found that these rights can only be obtained after a great deal of trouble and expensive litigation. It is generally felt in this community, which is, strictly speaking, a mining community, that greater facilities should be given for obtaining these rights for which they have to pay rates and rents. It has been found that the grants of land made under the different tenures have interfered with the mining privileges, and it is also generally felt that the two industries could be more amicably carried on by conserving mining outlets from plains to a greater extent. That has been done to some extent, but in many instances it has been found that the farming grounds have been encroaching too much on these outlets. The question of tenures has been discussed a good deal by the mining community, not only in this district but in the districts extending from Matakaniui to Naseby, and I have been asked to urge that no tenures should be given to any land which would hamper the access of the miner in these localities. The reason is that it is well known that there is gold-bearing land along the foot hills of the Dunstan Range, extending from Hawkdun to Naseby. These leads have been traced and followed, and those interested in mining feel sure that if land is granted on other than a very short tenure future mining operations will be hampered and probably prevented altogether. They feel that the tenures should be short, and that some arrangement as to valuation should be made which would not put it out of reach of an individual miner to go in if he discovered gold. If the compensation were large it would mean that only large companies and wealthy individuals could go in at all. It costs a considerable sum of money with the improved methods now in vogue to work a mine, and high valuations would shut out individual miners.

4. *Mr. Anstey.*] We were informed yesterday that the water from the sludge-channels could be used profitably for irrigation: I would like to know how the farmer interfered with the miner?—I do not mean to say that they actually interfere, but the outlets are not always in suitable places, and there has been trouble in getting outlets from claims in this district.

5. I take it that the agriculturists do not get the water until the miner has done with it?—It is not in regard to the water that the trouble has occurred, but in getting tail-races through the land held under the different tenures. Of course, the farmer always puts difficulties in the way of the miner going through because the tail-race will not benefit him, as the water is carried through his land at a considerably lower level than the surface, and it is not possible to use it for irrigation.

6. Is there any difficulty in the way of the farmer using the water after the miner has done with it?—None at all.

7. The difficulty is that the farmer complains that you spoil his land with the tail-races?—That is so. Sufficient provision is not made in providing for the deposit of tailings.

8. Sometimes you store the tailings on the farmer's land?—Sometimes it is necessary to store tailings on an area granted to the farmer or grazier.

9. Do you often deposit tailings on good ground and spoil it?—It may be good grazing ground but not good agricultural ground. To a certain extent we spoil good ground.

10. You are a farmer and a miner as well: do you think that the miner should have an unlimited right to spoil good land?—Yes, I would go that far, and justify myself by saying that



the miner may spoil good land by depositing tailings upon it, but that in many cases after ten years the tailings so deposited are as good as the land which they covered. It is well known that grass can be grown upon land covered with tailings to a considerable depth.

11. We had it in evidence the other day that it is possible to deposit these tailings in such a manner as not to really spoil the land—in fact, one witness went so far as to tell us that a great proportion of the stones could be deposited at the bottom and the fine stuff on the top: do you know if this is practicable at a reasonable cost?—It is practicable, but it would cost a considerable sum per acre.

12. Would it cost more than the land is worth?—Yes, as values go here at present. It could be done by means of dredging but not by tail-races. The tailings left by sluicing are comparatively level.

13. In regard to the land at the foot hills that you say contains a quantity of gold, is that land more valuable for mining than for any agricultural purpose?—Yes. It is totally useless for agricultural purposes. It is pastoral land, and the miners wish that it should be kept under pastoral tenure, and that the leases should be short, and that small valuations for improvements should be arranged. I want the land to be accessible to the miner without any expensive formalities.

14. What compensation do you think should be paid by the miner for freehold land destroyed by him?—The value of freehold land differs considerably in a few miles in this district.

15. Have you to pay full value of the land so destroyed?—Yes.

16. *Mr. McCardle.*] You are a miner, and you recognise that the mining interest is a great one and requires developing and protecting: you are also a farmer, and from that point of view you recognise that every effort should be made to closely settle suitable land in this and other districts?—Yes.

17. If the land here was leased under lease in perpetuity for 999 years the digger who wished to enter upon such a leasehold would only have to pay the value of improvements: would that be a very great hamper to the miner?—No.

18. In that case, you would be quite willing to see the lands put under the lease-in-perpetuity tenure?—Yes; but we find that certain formalities have to be gone through, and that all sorts of difficulties are put in the way.

19. Do you not think that is due to the machinery which governs the Act, and not to any fault in the tenure?—Yes.

20. Then, it is the machinery of the Act you would want amended rather than the tenure?—Yes.

21. Have you had any experience in this district which would enable you to say whether closer settlement is possible at the present juncture?—Not in this immediate neighbourhood, but not far from here closer settlement is possible.

22. Do you think these large runs could be subdivided?—Some of them. I know a large run not very far away which is practically valueless as agricultural land.

23. Would it be suitable for small grazing-runs?—No doubt it would.

24. Have you had any experience of the Advances to Settlers Office?—I have met people who have had to do with it.

25. Has there been any difficulty at all in this district in obtaining loans?—I think not.

26. If a proposal was made to enlarge the operations of the Advances to Settlers Office in the direction of assisting *bonâ fide* settlers on Government leaseholds by increasing the limit up to which advances could be made from half the value of improvements up to three-fifths, do you think that would be a proper thing in the interests of the small settlers?—I do.

27. And do you think the State would be running any undue risk in making such advances on its own property?—Certainly not.

28. Have you had any experience of the operations of the Land Boards?—Yes.

29. Do you think it is necessary that Land Boards should be composed of elected members?—No.

30. In fact, is it not an impracticable sort of thing?—I think so.

31. *Mr. Paul.*] Is mining the predominant interest here?—Yes.

32. You therefore want short leases and object to the lease in perpetuity?—No; we object to the formalities that are put in the way of the miner under the lease in perpetuity.

33. A pastoral lease is for fourteen years and a lease in perpetuity is for 999 years: do you not think that is a more valuable lease than the short one?—Yes.

34. Do you think that means increased difficulties to the miner?—The machinery if properly oiled should run so that there would be no increased difficulties in the way of the miner. I think the restrictions on the miners should be removed so far as possible.

35. As a miner, you think that no obstacles should be placed in the way of a miner to sluice away good ground, providing it pays good wages?—That is what I say.

36. On that ground the freehold tenure would be against the interests of the miners in this district?—It would.

37. *Mr. Johnston.*] Is the land between here and Hawkdun freehold?—It is nearly all pastoral lease.

38. Then, no freeholder is interfering with the diggers?—No. What I want to impress on the Commission is to allow things to stand as they are.

39. You approve of the high land being cut up with the flat land to give summer and winter country on these small runs?—Yes. It is absolutely necessary.

40. It is impossible for this high country to be farmed by itself?—Yes.

41. Is there any place near here where tailings that have been deposited for ten years are producing grass?—I could show you an area of ground that was covered with tailings fifteen or sixteen years ago that has grass growing over the tailings. There was good grass there before. There is a comparatively large patch of 10 or 12 acres some six miles away, at a place called Surface Hill.

## THOMAS DAVIS McLEVIE examined.

42. *The Chairman.*] What are you?—I am a farmer, and I hold about 200 acres under lease in perpetuity between Cambrian's and St. Bathans', but there are several small mining reserves included in the 200 acres for which I have no title. I have held my section since the land was cut, a year and a half ago. I held an occupation lease of 50 acres under the Mining Act, being the first to take up land under that tenure, and that section was afterwards included in the 200 acres. I use the land for mixed farming. I grow oats and wheat and potatoes. Oats do well, but wheat is not a success, because the land is not heavy enough.

43. Have you any mining on your land?—Yes. I have come into conflict with the miners, and I would like to disprove one or two of Mr. Pyle's statements. On one occasion the miners gave me notice they were going to prospect on my land. That was all right, because I knew I had to expect that under an occupation lease. When the case was called before the Warden I told him I made no objection, and that all I asked was that I should be allowed to take my crop off it. I was not allowed to do so, and, as showing the consideration of the miner to the farmer, I may state that the water was turned on to my growing crop, and I had to dig my reaper out of the mud. I had no recourse for compensation. So far as I know, no objection has been made to the resumption of land for mining purposes; and, so far as I know, the farmer is willing at all times to make every concession. But I cannot say the same for the miner.

44. *Mr. Anstey.*] Was your standing crop destroyed?—No; we saved it after considerable trouble and expense.

45. *Mr. Paul.*] Is it within your knowledge that good land has been destroyed by mining?—Undoubtedly.

46. In what way?—In some cases a good deal is sluiced away to the ocean, and in other cases the land is covered with a deposit of useless *débris*. In some cases, if the fine silt is deposited on the damp low-lying ground, undoubtedly grass will grow on it.

47. In the interests of the State do you think it is a mistake or otherwise to destroy land, even when it yields good wages?—That is the question. If the land were really payably auriferous, then I think an opportunity should be given to the miner, but what I think should be deplored is that large areas of land containing just a few grains of gold are sluiced away.

48. *Mr. Johnston.*] Have you ever known a good bed of grass to grow on tailings?—Certainly not.

49. We were told about some 15 acres of tailings growing grass: have you seen it?—I have not, but it may exist all the same.

## EDWARD MORGAN examined.

50. *The Chairman.*] What are you?—I am a miner and farmer in a small way. I hold 400 acres under lease in perpetuity, and have done so for about twelve months. I pay 5d. per acre rent. My land is about a mile and a half from St. Bathans'. We can plough some of it, but the other portions are very stony. Very little is hilly. I have been in this district for thirty years.

51. Are you satisfied with the tenure you are under?—Yes.

52. In this particular district, which is a mining district, in your observation, have the miners and settlers and runholders got on fairly well?—I think so. There are some places where the miners have been prevented from doing what they wanted.

53. I suppose they were only little differences, which were settled without much litigation?—Yes.

54. Can you suggest anything to help the miners without doing any injury to the farmers?—The principal matter is the providing of outlets to take tailings from the claims. All the miner wants is more outlets to enable him to work to advantage.

55. I suppose the farmer objects to the sludge going over his fields and spoiling his land?—Yes.

56. Have you had any trouble in your experience as a miner?—No. I may say in some ways the silt benefits the ground. I can prove that at my own place.

57. *Mr. Anstey.*] You say the miners ought to have better outlets for their tailings: do you think the miners ought to have the right to destroy good land by covering it up with tailings?—Of course, it would depend on the value of the land and what is got out of the ground destroyed. It would perhaps pay to destroy poor land to get gold out of good land.

58. Do you agree with the previous witness, who said the miner had a perfect right to destroy whatever he likes?—Not without compensation.

59. *Mr. McCardle.*] Is there any demand in the district to have the large runs subdivided?—Yes; there is a great demand at the present time.

60. Is the land suitable for closer settlement in the way of small runs?—It is.

61. *Mr. Paul.*] Has good land been sluiced away to any extent?—I cannot say that it has.

## HINKSON MEE examined.

62. *The Chairman.*] What are you?—I am a farmer. I own 220 acres of freehold, and I hold 530 acres under lease in perpetuity, and 250 acres under a small grazing lease.

63. Which tenure do you prefer?—The freehold.

64. Is your land all in one block?—It is in different places, but it is all worked from one homestead, which is situated between Beck's and Cambrian's, about five miles from the Lauder Railway-station. I have been farming about twenty-seven years.

65. Have you any mining on your land?—No.

66. Have you any water for irrigation purposes?—Yes; I have a small race on my freehold, but it does not command much land.

67. Your farming will be mixed?—Yes—cropping and sheep.

68. Do you turn out fat stock?—Yes; I have sent some fat cattle to market by rail.

69. Are you fairly satisfied with your two leasehold tenures?—I would prefer to be under deferred payment, in order to acquire the freehold ultimately.

70. *Mr. McCutchan.*] You prefer the deferred-payment system, and you wish to have your lease converted to the deferred-payment tenure?—Yes, if possible.

71. You are aware that the capital value would be increased 25 per cent., as was formerly the case?—Even so I think it is better. You can never improve your land under lease in perpetuity, because you do not know what time the Government will turn round and raise your rent, and then you would have to throw it up.

72. What makes you fear the Government will break their contract with you?—It is hard to say what makes them do anything.

73. Then, I understand you would be satisfied to have the capital value of your land increased 25 per cent. in order to get under the deferred-payment system?—Yes; but it would depend on how long it would be before I could get the freehold.

74. What period do you suggest?—I think it used to be something like ten years before you could purchase. That was the system under which I took up my first land.

75. Are you satisfied with the Land Board control?—I do not see that I can make any better of it.

76. You think the system of nomination by the Government to the Land Board is the best system of representation for the settlers?—Well, I think the people ought to have a say in that.

77. Would you give the towns a right to have a say as well as the country?—No. I think the towns should have no say in the management of the country land. The townspeople have the towns to look after, and the country people do not interfere with them.

78. Are you living on your small grazing-run?—It adjoins my freehold.

79. Is residence on the freehold accepted by the Land Board as fulfilling the residence conditions on the grazing-run?—Yes. The farmers have the right to take up small grazing-runs.

80. *Mr. Forbes.*] How would you like your lease in perpetuity to be converted into deferred payment—would it have to be put up to auction again and offered to the public?—I do not know that it would have to be done that way. I altered the lease of one of my farms and it did not go to auction again.

81. You admit that deferred payment is a better tenure, and therefore more valuable. If your lease in perpetuity is converted do you not think that your neighbours might say, "This is a fresh lease, and, while we would not take the land under lease in perpetuity, now that the Government are going to alter the tenure we want to have an opportunity of bidding for the section"?—That was not done when I converted my perpetual lease to lease in perpetuity. Of course, I could not then get the freehold.

82. But under perpetual lease you had the right to acquire the freehold?—I believe I had, but I was paying too high a rent.

83. By altering it to lease in perpetuity you got a lower rent?—Very little.

84. Now you would like it back again—why?—I want to make it freehold.

85. Does your lease in perpetuity hamper you at all?—It is not a bad lease; but, as I say, I would prefer to be paying an instalment every year to make it freehold, the same as I did with my first land.

86. *Mr. Anstey.*] Is the portion of your land irrigated profitably?—Where I have my race the land is too heavy for irrigation. Some of my land could be irrigated, but there is no water to put on it. The miners have all the water.

87. Would irrigation pay generally in your district if a comprehensive scheme for providing water was adopted?—I dare say it would.

88. Is there a large quantity of land in your district suitable for irrigation?—Yes.

89. Is there enough water to be got?—Not in a dry season. The miners have all the water to be had at the present time.

90. *Mr. McCardle.*] You want to have the same option as you possessed before of changing from one tenure to another?—Yes.

91. Do you know anything about the runs surrounding this district?—Not much.

92. Would it be possible to reduce the area by subdividing them, and, if so, do you think profitable tenants could be found for these small runs?—I think tenants could be got if the runs were cut up.

93. Is there a demand in the district for such settlement?—Yes; but not for all the high country.

94. If these large runs were divided and a proportion of the low country was provided for the high country would there be tenants for these runs?—I am certain of it.

95. *Mr. Paul.*] You have experience of three tenures?—Yes.

96. You find the freehold the best of the three?—Yes; I can make more improvements on it.

97. I suppose that is why you prefer the freehold?—Yes. You will not make the same improvements on a leasehold as you will on a freehold.

98. Why?—It is hard to say what might turn up. You never know what the Government will do.

99. Would the Government break their contract?—I would not say they would, and I would not say they would not.

100. Do you think you are giving them a handle to do that when you ask for a change from the lease in perpetuity to a lease with the option of the freehold?—I dare say I am. I do not know the law much. If I had known the law I would not have changed my perpetual lease into a lease in perpetuity.

101. Of course, you gained something by the change?—That was a mere nominal matter.

102. As a taxpayer, do you approve of the Government buying improved estates and cutting them up and putting people on the land?—It depends on the district, and whether it is good land or not.

103. I want your opinion in regard to the general policy?—I think if the country is good it is necessary to have close settlement.

104. This is good country?—Some of it, and some is very poor.

105. You would give the tenants on these improved estates the option of the freehold?—Yes, if they could pay for it.

106. You would put the Government in the position of a land-speculator who buys land and sells it again?—That is a question I cannot answer.

107. Do you not think that private enterprise could meet that demand?—No.

108. You are inclined to think that if the Government had not intervened the settlers would not have had much assistance in this direction?—Certainly.

109. Then, in general terms you approve of the land-for-settlements policy?—Yes; I approve of anything which will enable more people to settle on the land.

ROBERT ELLIOTT examined.

110. *The Chairman.*] What are you?—I am station-manager of Blackstone Hill. I have held that position about eighteen months. Before that I was head shepherd. I have been on Blackstone Hill Run about six years and a half altogether.

111. We had the evidence of Mr. Armour, who gave us full information about the run, tenure, rent, and so on: have you had under observation any improving and grassing of runs in order to increase their carrying-capacity?—To a certain extent of Blackstone Hill.

112. Has it been fairly successful?—Yes, by surface-sowing.

113. What area was surface-sown?—Perhaps 80 to 100 acres. I believe there was more at Highfield.

114. How much did it increase the carrying-capacity?—I should say at Blackstone Hill it doubled it. It was on a good part of the Blackstone Hill proper.

115. Do you think the same improvement could be made on the high land you have at Hawk-dun?—Yes, on parts of it.

116. And also on the Lauder Mountains?—Yes.

117. Do you think the Government could do anything in the way of improving tenures or any other way to induce the runholders to go in heartily for these improvements?—If they had a long lease and certainty of tenure they would go in for greater improvements.

118. What is your observation with regard to the relations between runholders and miners: do they get on fairly well?—Sometimes they do and sometimes they do not.

119. Where are they likely to differ?—In regard to race-cutting and flooding the ground with tailings.

120. *Mr. Hall.*] Would it be sound policy to reallocate these runs and divide them into small areas for grazing purposes?—I do not see how they could be worked, because there is so much high country against so little low country.

121. Then, the country could not be worked profitably in small areas?—I should say not.

122. Then, would it bring in as good a revenue to the Government as it does at present in one large run?—No.

123. *Mr. Matheson.*] What is the highest altitude at which you have known surface-sowing to be successful?—I have not seen it at any great altitude. I have noticed cocksfoot that has been carried there by stock growing over 3,000 ft. up.

124. What was the highest sowing done at Blackstone Hill?—About 1,500 ft.

125. Did you notice other grasses besides cocksfoot?—I have seen Yorkshire fog and white clover. We only sowed cocksfoot.

126. *Mr. Anstey.*] Are there any rabbits on the Blackstone Hill country?—Some, but it is not nearly so bad as I have seen it.

127. Are you well able to keep them within reasonable check?—We have done so.

128. What does it cost you annually for trapping and laying poison?—I can hardly say. We employ perhaps twenty to forty men for two or three months in the year to lay poison.

129. It must cost you something over £1,000 a year, then?—I do not know if it costs so much as that.

130. Do the Inspectors insist upon your destroying rabbits?—Yes.

131. Do they also insist on the small runholders destroying rabbits?—They are supposed to.

132. *Mr. McCardle.*] What is the proportion of the high to the low country in your run?—I should say there is seven to eight times as much high country as there is low country.

133. Is the low country fairly distributed around the base of the mountains?—It lies along the foot of the hills. We call the country about Blackstone Hill proper the low country.

134. Is there any extent of it?—No great extent.

135. If the low country was fairly distributed I fail to see what difficulty there is in the way of dividing these runs: would they not be as easy to work in that way as in one large run?—You would have a block of low country down here on Blackstone Hill and a block of high country at the back of Hawk-dun and no low country to it.

136. *Mr. Paul.*] You have a fair idea of the carrying-capacity of the country round here: do you know of any large area that could be cut up into 2,000-acre runs which would carry a thousand sheep?—No, I do not.

137. *Mr. Johnston.*] Would you approve of the run being cut up if sufficient country could be secured to give a proper amount of high country and a proper amount of low country?—Yes.

138. Have you ever seen any "seconds" or "thirds" grass-seed sown on these runs?—No.

139. Can you tell us what the cost of management, including rabbiting, is per head per sheep?—It would cost 3s. or better per sheep.

140. *Mr. Hall.*] There is an indigenous native grass growing in the north of New Zealand called danthonia. It grows very well on the high elevated clay hills and is very hardy, and is not injured apparently by firing: do you know anything about it?—No.

141. Do you think it would be wise on the part of the Government to send down some seeds of it and have it tried on these hills?—It might. I do not know what effect our winters would have upon it.

RICHARD WILSON examined.

142. *The Chairman.*] What are you?—I am a farmer. My wife holds 700 acres under lease in perpetuity at Lauder. She has held it forty-three years. We use it for mixed farming. We have about six hundred sheep.

143. Are you satisfied with the lease in perpetuity as a tenure?—I would prefer to make it freehold.

144. Are you very anxious to do so?—Yes.

145. We will assume, if the Government allows you to break your contract, that they value your land afresh, and, after protecting you by loading the land with the value of your improvements, they put it up to auction again, and it would then go to the highest bidder: would you be prepared to run the risk of being outbid in order to secure the freehold, or would you rather remain as you are under the lease in perpetuity, which is practically forever?—I think, rather than sell out my home I would prefer to remain as I am, but I still think that those who settle down in the back blocks, before there is any railway or other convenience, should have the first right to the land.

146. *Mr. McCutchan.*] You wish to make your land freehold?—Yes.

147. Do you wish to make it freehold by either the deferred-payment or right-of-purchase systems?—Either would suit me.

148. Those who have the right to purchase are paying 5 per cent. on the capital value as rent?—I would be quite willing to do that.

149. Would you wish to have the right to pay off the capital value by instalments and get your rent reduced proportionately?—It would be much easier by instalments.

150. Have you had anything to do with the Advances to Settlers Office?—No.

151. Are you satisfied with the Land Boards as they are?—Yes, so far as I am concerned.

152. *Mr. Forbes.*] What is your particular objection to the lease in perpetuity?—I have no great objection to it, but when one is settled in a place he would like a chance to make it freehold.

153. As the lease in perpetuity is for 999 years, of course the term is quite long enough?—Yes, so long as you pay your rent; but if bad times come and you are unable to pay you will be ejected. If I make the place freehold they cannot put me out. One always likes to feel that the land is one's own, and that you cannot be domineered by the Land Board or any one else.

154. If the freehold was granted would you be in favour of restricting the area of freehold land a man might hold, or would you leave it open to a man to buy up as many farms as he liked?—I would be in favour of restricting the area of freehold to 2,000 acres of the sort of land here. I would like to say that the Land Valuers come around in the spring when everything is looking at its best. I think they should come round now and see the country. I thought these lease-in-perpetuity lands were exempt from revaluation, but this year the valuer clapped £700 more on it.

155. You do not pay any tax to the Government?—That is for local rates, and it seems a lot for a lease in perpetuity.

156. Of course, on the freehold you have to pay on the full value of your land?—Yes.

157. The valuer has valued your improvements at £700?—He has valued the land at more than when it was taken up. He has valued the increase and my improvements to the extent of £1,800. I pay rates on £1,800.

158. You do not pay taxation to the Government?—Only rent.

159. *Mr. Anstey.*] Are there any miners on your land?—No. I have no water.

160. Could water be got for you?—Yes, if the miners did not have it.

161. *Mr. McCardle.*] You object to the 999-years lease, first, on the sentimental ground that you prefer the freehold, and, secondly, because of certain restrictions in regard to Land Board inspections, and so on?—Yes.

162. Suppose you had effected all the improvements stipulated in the Act, do you think it would be a fair thing to place you in the same position as the freeholder alongside you, who has purchased from the Government, by exempting you from these inspections and restrictions?—Yes.

163. If that were done do you think your lease would then be just as good as a freehold?—If that were done.

164. A high authority in the Government is proposing that as soon as you have completed all your improvements all restrictions are to be removed, with the exception that you will owe the Government a small amount for rent; and he further proposes to increase the amount to be advanced under the Advances to Settlers Office from one-half up to three-fifths of the value of your improvements: do you not think if all this were done that your lease in perpetuity would be quite equal to the freehold?—I do not think it would be equal.

165. Would it not be sufficient to satisfy you?—No.

166. *Mr. Paul.*] Could you make this land freehold at the present time if you had the option?—Yes.

167. In regard to bad times and inability to pay your rent under lease in perpetuity, suppose you had the freehold and bad times came, what would you be compelled to do? Would you not be compelled to mortgage?—Not if I had not to give the Land Board rent.

168. What does your rent amount to per annum?—£30.

169. If you had the freehold would it not increase the amount of your local taxation?—A little, but not much.

170. Is any water wasted now in connection with mining?—Yes; plenty goes to waste in the winter.

171. Then, it could be conserved in the winter?—Yes.

172. Do you think it would be any advantage if the Government acquired these races so that the water might be conserved for the use of the farmers without injuring the miners?—That would be a very good thing.

173. You quite approve of that?—Yes. I have seen places that took 3 acres to feed one sheep, but which when irrigated carried four sheep to the acre.

174. A farmer told us this morning that he preferred 1 acre he could irrigate to 10 acres that he could not: do you think that a fair statement?—Yes.

175. *Mr. Johnston.*] You said you prefer the freehold because if bad times come you would be in a better position: suppose you had a mortgage on your freehold, would the mortgagee treat you as well as the Government?—I do not know. I have had no experience.

176. Would it be possible for the Government to conserve the water that now goes to waste?—I think so. The Government would only have to put a wall across to dam it back. There is enough water going to waste in the winter to irrigate the whole of the country up here.

RANFURLY, FRIDAY, 17TH MARCH, 1905.

JOHN FORRESTER examined.

1. *The Chairman.*] What are you?—I am a farmer in this district, and have 212 acres of freehold and 890 acres under lease in perpetuity. I have been in the Eweburn district for twenty-nine years. My farm is about two miles from the Ranfurly Railway-station. I am paying for one portion of the lease-in-perpetuity land 1s. and for another portion 7d. an acre. I am quite satisfied with the lease-in-perpetuity tenure as long as it remains as it is. My land is principally used for grazing, but I grow a little feed for homestead use—from 30 to 40 acres of turnips. The winter is pretty severe. The snow lies for some time, and there are very severe frosts. I have sown about 300 acres in English grass. That was only sown last year. I have not tried surface-sowing. There is any quantity of water on my land. I got my tenure on deferred payment at first. I am satisfied with the present constitution of the Land Board. If there is to be any change in the land-tenure I think the old deferred-payment system would be the best for this district.

2. *Mr. Matheson.*] Do you think it would be profitable and advisable to cut up some of the large runs in this district into smaller areas?—Yes; a good many of them.

3. Profitable to the State and the tenant?—Yes.

4. What area is the smallest you think they could be profitably cut up into?—It all depends on what sort of land it is.

5. How many sheep do you think a man ought to be able to make a fair living from?—There are some runs of which parts would be suitable for growing crops to a limited extent.

6. Ought that cropping not to be for winter feed?—Yes.

7. In cutting up land for small settlement you would want to give a man sufficient land to carry a certain flock: would you put it at a thousand or two thousand sheep?—I would put it at a thousand; I have made a living up till now, and I have never had a thousand sheep.

8. A thousand sheep would be sufficient to give a man a living?—I think so.

9. Could you name any runs that you think are suitable for cutting up?—Puketoi and Blackstone Hill.

10. Do you think those runs could be cut up so as to give a fair proportion of arable land to each piece of hill country?—Yes; enough low country.

11. Have you had any experience of the Advances to Settlers Department?—Yes, a little.

12. Has it been satisfactory?—Yes, I think so.

13. *Mr. McCardle.*] If these runs were cut up do you think there are people in the district ready to take up the small runs?—Yes.

14. There is no suitable land for proper so-called close settlement—for 200- or 300-acre sections?—In the first place, you could not get a bit of such land under any consideration. I held 100 acres for over ten years, and I could get no more, and it was about fifteen years before I could get any such additional land. I had to do with what I could get, but it was not enough.

15. Do the holders of the large runs own any extent of freehold land?—I could not say.

16. In the event of those large runs being cut up, and if the runholders own a considerable area of fairly level good-quality land, do you think it might be necessary that it should be divided with the runs?—Yes.

17. *Mr. Anstey.*] Do you use any artificial manure in sowing turnips or crops?—No. It is new ground that I have sown, but by-and-by it will have to come to that.

18. Has any one here used manure?—Yes.

19. Do you know the result?—I think there is a witness present who can inform the Commission about that.

20. Do you know if lime has been used?—I do not think it is suitable for this land.

21. How have the rabbits been kept down in this neighbourhood?—Very well, I think.

22. Are they thicker on the larger runs?—I think they are fairly well kept down all over.

23. *Mr. Forbes.*] Do you think the deferred-payment system would be better than the lease in perpetuity?—I do not exactly go that far.

24. You are satisfied with the lease in perpetuity?—Yes.

25. Do you not see that there is a danger in connection with the deferred payment, where the lands are bought out, that there is a probability of farms being thrown together and being held by one man, thereby reducing the number of people who are settled on the land?—Yes.

26. By introducing the deferred-payment system there is a possibility of the number of people on the land becoming less?—Yes, I quite agree with that.

27. *Mr. McCutchan.*] Could you give us an estimate of what it costs per acre to lay down in grass?—We never estimate the cost. We do all the labour ourselves.

28. What grasses do you sow?—English grasses and cocksfoot.

29. What varieties of English grass?—Ryegrass.

30. You say that you are quite satisfied with your lease-in-perpetuity tenure, provided there is no revaluation?—Yes.

31. Is there any doubt in your mind that the lease may be interfered with in the direction of the land being revalued?—Yes.

32. What reason have you for that feeling?—It has been written about in the newspapers over and over again that the labour unions in Dunedin want to get periodical revaluation.

33. Are they advocating revaluation, and that the revaluation should have a retrospective effect—that is, would it interfere with leases now in existence?—I do not know. If it does not interfere with existing leases it is all right.

34. *Mr. McLennan.*] You said you have 40 acres in turnips?—Yes.

35. Do you give the land a second ploughing?—Not for turnips. They grow well if they get any rain; but they are not so good this year because it has been dry.

36. Do you know if any of your neighbours tried giving it a second ploughing?—I could not say.

37. Do you know of any Crown tenant that has acquired the freehold and who has immediately sold his land for perhaps double the money?—I know of no tenant in our district who has done that.

38. *The Chairman.*] You said that you thought a thousand sheep was enough for a man to make a living from?—Yes.

39. There is some fairly high run country here?—Of course, it would take more of that land to run a thousand sheep. I did not say I would limit any one to a thousand sheep. I simply said he could make a living from them.

40. *Mr. McCurdle.*] You have been asked about the aggregation of small farms if the freehold was granted: in your opinion, would it be proper to prevent that by amending the Land Transfer Act and limiting the amount of land any one person could hold—either by acreage or by value?—I think so.

41. You think it is desirable that some amendment of that sort should take place?—Yes, if it is to be altered.

42. You have a large amount of freehold land now, and there is nothing to prevent one man purchasing the lot?—No.

43. *Mr. McCutchan.*] In paying your rent have you taken the 10-per-cent. rebate given by the Government for prompt payment?—Yes, always.

44. In connection with your fear of revaluation, by taking the rebate in good times do you not think you have given the trades and labour organizations of the colony good ground for their advocacy of revaluation, because it was an interference with the terms of your lease?—I do not see that.

PATRICK BLEACH examined.

45. *The Chairman.*] What are you?—I am a farmer, and have about 850 acres of land—320 acres freehold and the remainder leasehold. 220 acres was exchanged from perpetual lease. My place is about two miles and a quarter from the Ranfurly Railway-station. I pay 9d. an acre for one section and 4½d. for the other. I have been in possession of the freehold since 1880, and the lease in perpetuity for about twelve years, and one section for four years. I use the land for mixed farming. I have 80 acres of oats, 70 acres of turnips, and engage in dairy-farming. I keep about forty cows. I am satisfied with my lease in perpetuity. In connection with the lease in perpetuity I would like to mention a hardship that the settlers in this district are labouring under. I have had my home on the freehold since 1880, and four years ago I got this lease-in-perpetuity section. It is a very poor piece of ground and a good distance away—six or seven miles. Regularly every year I get a notice from the Land Board to show cause why I am not residing on that section. I consider that where a settler is residing on a section, and where he has an out-piece of land like that to help him to make a living, no such restriction should be proposed as long as the settler fulfils the other conditions and resides in the neighbourhood. There is no dwelling-place there, but I have effected a considerable number of improvements, and have complied with all the other provisions of the Act. But let me put such a case as this: that an adjoining holder may put up two or three sheets of iron, and perhaps two or three bricks, with an opening to let out smoke and to let in the light, and the Ranger comes round and says, "That is all right," and that person has not to show cause at all with respect to residence.

46. *Mr. Matheson.*] Do you do any irrigation?—No, for the simple reason that the Government took all the water away from me.

47. For mining purposes?—Yes, with the head-race and big dam. That is a point I would like to mention. At the time the big dam was to be built—that was only a few years ago—there was some trouble between the farmers and the miners about getting the dam built. A deputation of miners was appointed to interview the farmers at Eweburn in connection with the building of the dam, and it was ultimately stated on behalf of the miners that the farmers interested would be allowed the same privileges, and the opposition of the farmers was therefore withdrawn. After the dam was built a neighbour of mine, who had a lease-in-perpetuity section, went to plough up his land and found that he had no water there. He went to the manager of the Government water-race and asked him if he would give him permission to put in a 2 in. pipe, and he would pay for any water he took, but he was not allowed to take a drop of water, although he offered to bear all the expense. That was the way which the miners and the Government broke faith with the farmers. I do not think we would be allowed a drop of water however necessary it might be.



48. *The Chairman.*] Was the attention of the Government drawn to this matter?—I could not say.

49. And since the dam was constructed has all the water been taken by the miners?—Yes.

50. *Mr. Matheson.*] Would that water be of use for irrigation?—Yes.

51. Do you not find a difficulty in keeping your cows in milk in the dry season?—On my homestead I have plenty of water, but it is too flat for irrigation.

52. *Mr. Paul.*] Is it possible that further conservation of water could take place?—I do not think so.

53. At any time of the year is there water running to waste from the dam?—In the Wedderburn it would be possible that more conservation of water might take place.

54. Have you had any experience of the Advances to Settlers Office?—Yes.

55. Has it been satisfactory?—Yes.

56. *Mr. McCardle.*] Do you know anything of the big runs in the neighbourhood?—Yes.

57. In your opinion, could Puketoi and Lynburn be subdivided into lesser areas, profitable for occupation by small settlers?—The only thing we would be frightened of would be people coming from all parts of the colony and competing against us.

58. That is the strongest reason for cutting up these runs?—The worst run of the three was cut up recently, and I think that is proof enough that the land would be taken up.

59. *Mr. Anstey.*] What was the result of your irrigation scheme so far as you tried it?—I only diverted the water from one creek to another.

60. Have you any idea who paid for building the dam?—The Government.

61. Did the Government also construct the head-race?—Yes.

62. Then it was handed over to the miners?—Yes. The miners have got all the benefit of it so far.

63. And the farmers have been deprived of what they had previously?—Yes. There was an outcry one year to get some remedy, but the miners were too strong for them.

64. *Mr. Forbes.*] Do not the miners pay for the use of the water?—Yes, so-much per head.

65. Does the money received from the miners pay the Government for the money they have spent?—No; I think it has been worked at a loss.

66. Do you think if the farmers could get the opportunity of using the water for irrigation purposes they would do so?—Yes, and they would be prepared to pay for it.

67. Do you think the land would be very much improved by irrigation?—Yes.

68. Have you seen any good results from drilling and manuring—any better results than in the case of runs in the past?—Yes. Two of my neighbours drilled a few acres this year, and if it had not been for the drilling I do not think they would have had a turnip at all.

69. You think if the farmers could get the use of this water for irrigation they would use it, and it would improve the place very much?—Yes.

70. *Mr. McCutchan.*] What you desire is that where a settler is a *bonâ fide* settler, and in order to get sufficient land to make a living for himself and his family he happens to reside away from one of his sections, that he should be considered to have fulfilled the residence conditions of his lease?—Yes, or residence on another leasehold. There is a clause in the Act which gives the Land Board power to call any distance contiguous.

71. What reason had you for converting your perpetual lease into a lease in perpetuity?—I think it was because the rent was cheaper.

72. Which do you consider the preferable tenure?—The lease in perpetuity.

73. Why?—For the reason that I consider the State should be the landlord in all countries.

74. Do you think that is possible in New Zealand now?—The people of New Zealand could make it possible, or a majority of them could.

75. That is, that the State would become the landlord of all the freehold land in the colony?—Yes.

76. Would not that involve a very great expenditure?—I do not know what it would cost, but New Zealand is a very young State, and in fifty or a hundred years' time I presume the population will be trebled, and I do not know where the people are going to get the land.

77. *Mr. Paul.*] You know there is no limitation to the amount of freehold land a man can hold?—Yes; I know that.

78. Do you think that is an evil?—It is.

79. Would you limit the freehold as to amount?—I would.

80. Do you not think that by limiting the market for the freehold you would be interfering with the essential quality of the freehold? What I mean is this: you have a freehold to sell, but your neighbours immediately adjoining have their full compliment under the Act. Your market is restricted by that, but somebody else from outside may come in?—Yes, if my neighbours have their full compliment they should not get mine.

81. That would depreciate the value of the freehold?—I do not think so.

JOHN LAW, jun., examined.

82. *The Chairman.*] What are you?—I am a freeholder and hold about 1,700 acres two miles from Ranfurly. I have held the land for about ten years. I am engaged in mixed farming. The principal point I desire to draw the attention of the Commission to in connection with the land question in this district is that provision should be made for people who want the land; in other words, that more land should be open for selection and settlement. Previous to taking up the freehold I tried my fortune several times at the ballot. About fifteen years ago I tried to get a piece of land in the district, but was not fortunate enough to secure a piece. There are always a large number of unsuccessful applicants at the ballot in this district, for the simple reason that there is never sufficient land put in the market. The ballot system, as far as I can see, is the best that can be done at the present in the way of giving people a fair and equal opportunity

of getting on the land, but there are evils attending the ballot system, including that which I have just pointed out—namely, that people that want to get a piece of land are frequently unsuccessful. The way to minimise that evil is, in my opinion, to keep plenty of land in the market. I am not aware of any failure having taken place in connection with any run having been cut up in this district. I do not know that any run has been cut up that was not applied for five or six fold, and sometimes more. I read Mr. Laidlaw's evidence given at Ophir, and I agree with him when he says that there is a difficulty in working this high country, and that the man who has got it to work wants some security of tenure. The only point upon which I disagree with him is as to the area. I think that if you get a run—we will say that it is principally high country—and carries, as Mr. Laidlaw says, seventeen thousand sheep, and if that run had more low country it would carry more sheep, and the way to get a run to carry more sheep is to give more low country, and give the people the chance of competing for the high country. I think it was Mr. Scobie Mackenzie who kept saying that a man should have 2,000 acres of second-class land. Every one here knows that under present conditions a man requires sufficient land to run a thousand sheep. I think, in the immediate vicinity of the railway-line an area sufficient to run five thousand sheep is too much considering the demand for land, and especially the number of young people who want land. The small-grazing-run system gives fixity of tenure to the tenants for the working of the runs, although the conclusion drawn is that the land should still be leased in 30,000- or 40,000-acre blocks. If you are going to give fixity of tenure I think the present conditions and the desire for land demand that you must not give a greater area than will run, I would say, three thousand sheep. As far as I am aware people never ask for land that they do not intend to take up.

83. Would there not be a risk, if your scheme were carried out, that some of the high runs might be left, and that they would be simply a breeding-ground for rabbits? Do you not think three thousand sheep is drawing it rather fine?—I do not see that it is. If the land would not cut up under the small-grazing-run system it could be let under pastoral license with the right of resumption at a year's notice.

84. Do you not think if the country requires to be let under pastoral license that the persons holding that license should be rendered as secure as those who take up the smaller areas?—The natural conditions will render them as secure.

85. In the case of the high country, if you restrict the occupier to a very small number of sheep, the expense of fencing would be so great that it would not be worth while taking up the land at all?—There is a large run here that has been thrown on the hands of the Government once or twice, and it has been let under pastoral license, and a number of settlers are working the run as a kind of syndicate. That syndicate has been in existence about six years, and it apparently works fairly well.

86. *Mr. Matheson.*] Which run is that?—362B, and the area is 27,000 acres.

87. *Mr. Paul.*] I think you said that the only way in which the ballot system could be improved would be by putting plenty of land into the market?—Yes.

88. I suppose by that you mean that the leasehold policy should be continued?—I am a thorough believer in the leasehold policy. I believe in State ownership of the soil.

89. I suppose you would limit the area of freehold that one man could hold?—I cannot see how that can be done. I do not see the difference between a number of small freeholders under a mortgagee company and a number of leaseholders under a large freehold landlord.

90. Has your freehold increased in value?—Yes.

91. Apart from your exertions?—Oh, yes.

92. The fact of the railway coming along has increased the value of that holding?—Yes.

93. Believing in the State ownership of the soil, do you think that that unearned increment should belong to the State?—Not mine. My particular bit of unearned increment I do not believe in going to the State. But I believe in it as a principle.

94. I take it from that that you are not prepared to give that to the State?—Yes. There are some people who regard it as an inconsistency that a freeholder should be an advocate or in favour of the leasehold system. I look at it in this way: that it is much the same as the inconsistency that is exhibited by the great peace-professing Christian nations when they arm themselves to the teeth. It is analogous to that.

95. *Mr. McCardle.*] Do you think that the 999-years lease should be revalued?—It will be revalued.

96. When?—When hard times come and the lessees want a lower rent.

97. Has the State the power to do that now?—No; not now. Neither has it the right to take back those freeholds.

98. Would it not be much easier for the Government to raise revenue from the freehold by means of taxation than it would be to raise the rent under the 999-years lease?—It is much the same, and the proposal to tax the freehold is, I think, much nearer.

99. You have said a good deal in favour of the need of subdividing these large runs. I am one of those who believe that those runs should be cut up, although it is against the evidence we have had from some witnesses who have said it is impossible. Your arguments are that these runs can be cut up?—Yes.

100. And you consider that in the interests of settlement it ought to be done?—Yes, as the people demand it.

101. Is there a demand for it now?—Yes.

102. Has the point been reached already when this land should be subdivided?—There have been petitions sent to Parliament from this district and they have been ignored.

103. *Mr. Anstey.*] Is there any of that high country in this immediate neighbourhood that would not be practicable to be cut into small grazing-runs?—That would be a matter chiefly for the surveyor.

104. You think they all could be cut up into small grazing-areas, and that the high country should all be included with the low?—Yes. If the people did not think it was practicable they would not ask for it.

105. Is there any of the high country that would be suitable to be offered to existing small occupiers of the low ground?—There is a restriction that prevents the occupier of low ground from acquiring a small grazing-run.

106. You think if those restrictions were removed there would be no fear of the country not being occupied?—I have no fear in regard to this district.

107. You have said that the restriction should be by number of sheep, and not by area?—Yes. I think five thousand sheep is too many. I think three thousand is quite sufficient.

108. Have you had any experience of co-operative works in this neighbourhood?—No. I have not taken sufficient notice to give an opinion.

109. I believe there was a farm started on the co-operative principle some time ago: do you know whether that principle has any chance of success?—It is not a very suitable principle for this district. I would require more fertile land.

110. *Mr. Forbes.*] About this water: you think it would be a good thing if the farmers had a chance of getting some of it?—I fought as hard as I could to get a race for the farmers from that reservoir when it was being built, but I did not succeed. I have got a water-right from Eweburn Creek. I have tried irrigation. The farmers all require water, but irrigation means a lot of labour and expense, and that means a still further reduction of area, as far as I can see. The system of irrigation means the still closer small settlement of Central Otago.

111. Yesterday we passed a farm of 400 acres which was irrigated, and that farm was a beautiful green spot amongst the other dry land. Do you believe this district would be improved very much by irrigation?—Undoubtedly.

112. There is not much manuring done by tenants here?—People who are growing turnips are trying it, but I am not sure that on this dry soil it is a great success.

113. Do you know anything of the present constitution of the Land Boards? Do you believe that the Crown tenants should have some representation on the Land Boards, or do you believe that the present nominated system is the best for the colony?—I think the nominated system is the best, but I do not think they are required at all. I think the Crown Lands Commissioner and his staff can do the whole of the work.

114. Do you not think that giving the Crown tenants representation on the Board would be in their interests as well as in the interests of the Crown—not to give the Crown tenants a predominating power, but to allow them, say, one member to see that their interests were looked after?—The best use that would be, I think, would be this: that it would take a large responsibility off the shoulders of the Government. I think that is the very thing the members of the Land Board do. They are the buffer between the people and the Minister. If there is any credit the Minister gets it. If there is any blame the Land Board gets it. I think the present nominated system is the best—that is, if you are to have Land Boards at all.

115. There has been some complaint that there is no representative appointed on the Board from this district?—Yes.

116. It has been said that all the members of the Board come from round about Dunedin and the seaboard?—It is only recently that I have heard that cry, and that the different districts wish to have representation on the Board. I do not see any sufficient reason for it myself.

117. Do you not think with district representation local knowledge would come in?—Local knowledge would come in in respect to the classification of runs, but that question is usually specially dealt with.

118. You do not think it is necessary that a man should be the representative of any particular district?—No.

119. *Mr. McCutchan.*] You made reference to the question of the unearned increment. You seem to have given a good deal of study to that matter. I would like to get a definition with respect to the unearned increment on land taken up in blocks?—It is a wide question. I should say that public works is a principal factor in creating it—a railway, for instance, harbours, lighthouses, and everything done by the State in that way.

120. Is not that an intermediary step? You are not at the fountain there?—That is a factor. The primary cause is the improvements effected by public expenditure.

121. Who put that expenditure into operation?—The general community—the Government, the people.

122. Why does the Government do it?—For the welfare of the district.

123. But is it not the markets outside the colony that causes the Government to put that expenditure into operation?—Yes, in some cases.

124. As a borrowing colony, is not the market outside the governing factor over all these matters? We can only pay our interest by our produce. If we owed the money to ourselves that would be a different matter. This is debt owing beyond the colony. When you get a railway put in here it is simply in order to send our produce away. If you say that the unearned increment in the land belongs to the State, does it not follow that the unearned increment in all other pursuits belongs to the State?—The only thing I can do in reply to that is to buy you a copy of "Progress and Poverty." What is strictly the unearned increment and what is the earned increment is rather difficult to define. In some cases there is an increment the wrong way to the freeholder, and he has really made a loss and spent more money on the place than he gets—in fact, the system works both ways. There is a value created by public expenditure that a man who goes on the freehold may get—in fact, the freehold gives him the power to get that value, and the leasehold does not give him that power to the same extent.

125. *Mr. McLennan.*] Are the other farmers in this district satisfied with the lease in perpetuity?—No. There are a lot the other way. I did not say I was satisfied with the lease in per-

petuity. I believe in State ownership of the land, but I think the lease in perpetuity is practically individual ownership. 999-years lease is a freehold to all intents and purposes. It is very good for the man holding it, but very bad for the State.

126. *Mr. Paul.*] With reference to closer settlement and irrigation, a witness at Ophir said that if he had the choice of 1 acre that could be irrigated and 10 acres that could not be irrigated he would take the 1 acre: has your experience borne out that?—Any irrigation I have done has been for the benefit of growing grass or grain. It might be so in the case of fruit-growing. It has a very increased value.

127. Do you agree with the land-for-settlements policy, so far as the acquisition of approved estates is concerned?—Yes.

128. You have said you would not resell that land?—Yes.

129. What tenure do you think best to let that land out on?—I think thirty-one years would be a very good lease.

130. I take it that you would protect the tenant's right to improvements fully?—Yes.

131. *Mr. Matheson.*] You have said that you recognise public works as improving the value of the freehold?—Yes.

132. Do you think that those public works, by encouraging the production, also increase the value of the merchants' and tradesmen's businesses in the towns to an equal extent that it increases the value of country property?—In the case of a merchant's business, he may have competition, but in the case of a farmer the land is limited, and you cannot get competition there.

133. Is it not a fact that the colony is entirely dependent on the production of the pastoralists and agriculturalists?—Yes, principally; but gold-mining is a large factor too.

134. Do you think we could possibly go on without the agriculturalist interest?—No.

135. Therefore do you approve, from a colonial point of view, that he should be encouraged by all reasonable means?—Yes, in every possible way. There is one thing that has struck me—I do not know if it is practicable—namely, that, seeing as a matter of political expediency we still give freeholds, I think that all freeholds granted by the Crown should only be mortgageable to the Crown, and in the event of the freeholder getting into difficulties the land would fall back into the hands of the Crown, and not into the hands of a mortgagee company.

136. *Mr. McCutchan.*] In connection with the 999-years lease, do you think that if the State at any time should resume those leases it should only be done on paying compensation?—Presuming the State has resumed the freehold and for the same reasons.

137. The present contract should be held inviolable?—As far as possible until necessity compels.

PATRICK BLEACH further examined.

138. *The Chairman.*] I understand you wish to make further statements to the Commission?—Yes. In case the Commission should go away with the idea that the Land Board is dealing harshly with the tenants, I must say, as far as my experience goes, they show the tenants every consideration. Of course, they have to enforce the provisions of the Act. As regards residence conditions, however, every consideration is shown by the Board.

PATRICK McCLUSKEY examined.

139. *The Chairman.*] What are you?—I am a farmer, and hold 300 acres on grazing right. I have held it for twenty-five years, and pay £15 a year rent. My place is about five miles from Ranfurly. I engage in mixed farming. I was the occupier on close on 2,000 acres. I had 600 acres freehold, 230 acres perpetual lease, and close on 600 acres perpetual lease as well. I have heard the other witnesses talking of the freehold, and I may add that my experience in connection with the freehold was most unsatisfactory and unfortunate. I may add that I have been trying to secure by the ballot some lease-in-perpetuity land, but I have not yet succeeded in getting a section. The 300 acres of land which I have now is too small for my surplus stock. I am dairying, and keep forty cows. I consider that the lease in perpetuity excels all the freeholds in existence. I am of opinion that if the Government permitted the granting of freeholds to everybody there is no power to keep back capitalists from aggregating estates.

140. Is there any aggregation of estates in this district?—Yes.

141. You have a good water-supply?—Yes.

142. *Mr. Paul.*] From your experience, you would be against the option of the freehold being given to Crown tenants?—Yes. It might be right enough, however, if a man held a section and wished to make it bigger, to be compelled to borrow solely from the Government.

143. You think it is hardly in the interests of the tenants themselves if they can only buy a freehold with borrowed money?—I think it should not be allowed. I do not care how prudent or energetic a man may be, it is an evil.

144. You think it is better that they should be tenants of the State than be bound hand and foot to mortgage companies?—I do. When they can get money at 4½ per cent. I think it is preferable to any freehold in existence.

145. *Mr. McLennan.*] Are you satisfied with the constitution of the Land Board?—Perfectly.

146. Would you be in favour of giving the Boards more discretionary power?—Yes. I have heard a good many complaints as to residence conditions, and I think more discretion should be allowed to the Board to deal with such cases.

JAMES SCOTT examined.

147. *The Chairman.*] What are you?—I am a farmer, and hold 946 acres under lease in perpetuity. My land is about nine miles from Ranfurly. I pay £35 a year rent. It is chiefly dry pastoral land—good sheep country if lightly stocked. I usually shear about six hundred sheep. I came to this district in 1879, and have seen the greater part of the settlement that has taken place here.

148. Do you approve of the present constitution of the Land Boards?—I have no fault to find with the Board. I have considered the question of elected Boards and partially elected Boards, and I think if we are to have a Board at all the State should be the landlord, and therefore I think the State should nominate the members of the Board if we are to have a Land Board at all. I would not give more discretionary power to the Board, because I think it induces people to crawl to the Board for special consideration, and there is nothing more contemptible than people crawling. I think the law should be carried out properly, but not with harshness. I approve of the lease in perpetuity. I consider it as good as a conditional freehold, and I think the time is coming when all freeholds will be conditional—limited in value.

149. Do you think it would be advantageous if irrigation were applied to your land?—Yes; but that would involve considerable cost.

150. It would not pay?—I cannot see how water can be got to pay in the Maniototo basin—that is, for growing ordinary farm crops. It would be very expensive to bring water to this part of the country. The time may come for that some day, but that time has not yet arrived.

151. Is there any other matter you would like to draw attention to?—With respect to subdivision of runs, so far as I have observed, all the runs that have been cut up in this district have been occupied. The people in the low country require high country for grazing purposes. It would not do to subdivide the mountain-tops into small sections, but the land might be divided into moderate-sized holdings. An agreement might be come to, say, between five or six settlers to allow their sheep to run there. It seems to me there might be an extension of that principle.

152. Do you think that might solve the question of the high and low country?—Yes, in so far as Maniototo is concerned.

153. *Mr. Matheson.*] Do you think that the practical experience needed could be got by the appointment of a couple of Rangers rather than by dragging up the Land Board regularly?—I think that is quite feasible. I do not believe, at any rate, in giving large discretionary powers to Land Boards.

154. Do you think it preferable to work on the other assumption, making the Rangers and Commissioner responsible to the Minister, who is responsible to the people?—Yes.

155. *Mr. Paul.*] Have you had any experience of the Advances to Settlers Office?—No.

156. Are you satisfied with your lease-in-perpetuity tenure?—Yes. I think it is as good as the freehold to the *bonâ fide* occupier who wishes to use the land simply for farming and not for speculative purposes.

157. You think that a good farmer on a lease-in-perpetuity section can get just as much out of that section as a good farmer on a freehold?—I think that all conditions to secure good farming are present under the lease in perpetuity. Any one who through force of circumstances has to dispose of his section can get value for improvements and for the goodwill besides, and the goodwill in these times is worth a considerable amount.

158. Do you think any of the goodwill belongs to the State?—It is very hard to apportion what belongs to the State and what does not.

159. As to increased facilities and accommodation?—They increase the value of the goodwill also.

160. Do you approve of the land-for-settlements policy?—Yes; I think it is a good policy, and that if it had not been for that policy many people who are doing fairly well at present would not have had an opportunity of getting on the land. I believe it is also a benefit to the State. I think that nearly all the estates that have been cut up will be worked with better advantage to the State.

161. Would you be in favour of giving the tenants on improved estates the right of freehold?—No; I am rather against that. I am inclined to think that if it were practicable, and if we had begun to think of it some fifty or sixty years ago, all the land might now have been under the State as the landlord, and I do not know whether it is yet too late to think about it.

162. You think that would have been advantageous?—Yes; especially in regard to such land.

163. *Mr. McCardle.*] Do you agree with other witnesses that the large runs should be cut up and that closer settlement is desirable?—Yes.

164. When the lease-in-perpetuity holder has completed the necessary improvements and complied with the conditions, do you not think it is reasonable that he should be free from all control as far as Land Boards and oversight is concerned?—I have never found the control of the Land Board galling. There are a large number of people—and that number is increasing—who are not able to buy a freehold, and I think it would be well if a portion of the land of the State were reserved for those who are able to take it up. I have taken up a lease-in-perpetuity section and am satisfied with all the conditions attached thereto, and I think I ought to abide by my bargain.

165. Why do you say that you think the Land Board control should be removed?—Because it seems to me superfluous. If the land belongs to the State, and if there are State tenants, they would, of course, require more supervision than those who hold freehold; but I do not know that the man who holds a lease-in-perpetuity section requires much supervision.

166. And why do you want to continue it?—I do not want to continue it; but I think the Land Boards are superfluous.

167. With reference to the advances to settlers, at present a leaseholder is entitled to an advance up to half the value of his improvements. It is now proposed to amend the law and value a man's interest in the holding, and give the Advances to Settlers Board power to advance up to three-fifths of the value of the tenant's interest in the holding: do you approve of that?—If it includes goodwill I disapprove of it.

168. *Mr. Anstey.*] You spoke just now of limiting the value: do you not think that the limitation of value could be properly attained by an adjustment of the graduated land-tax—raising the tax gradually until it became oppressive to large holdings?—I was referring chiefly to land being opened for settlement for a start.

169. Do you not think that the limitation could be attained by proper adjustment of the graduated land-tax?—I think that when a man is making a statutory declaration in respect to the land he holds the declaration should be as to the value of the land.

170. Do you think the existing holders should have the right of holding as much as they like?—Before we apply such a principle to those who hold land now there will have to be something in the nature of a revolution in our land laws, and I am not quite prepared to advocate that just now.

171. *Mr. Forbes.*] You think the lease in perpetuity is a far better system of settling the country than by giving the tenants the right of purchase?—Yes.

WILLIAM DOWLING examined.

172. *The Chairman.*] What are you?—I am a farmer, and hold about 1,200 acres on perpetual lease. I have held the land for eleven or twelve years, and I am paying 7d. an acre for some sections and 9d. for others. My farm is about five miles from Ranfurly. I am engaged in mixed farming, and I shear about seven hundred sheep. I sell wheat and oats. The average yield of wheat is about 25 bushels and oats 30 bushels.

173. Do you think the Land Boards as at present constituted are satisfactory?—Yes.

174. Are you satisfied with your tenure?—Yes.

175. Is there any particular point you would like to draw the attention of the Commission to?—There is only the water question. I took up this land about eleven years ago, and there was a creek running through it. It did not run all the year round. Since the reservoir was constructed there is not half the water in the creek that there used to be. I do not think it is fair that I should be thus deprived of the water. I did not make any complaint to the authorities, but others have made complaints, and they got no satisfaction. I think that when the water was cut off the rent ought to have been reduced.

176. *Mr. Paul.*] Do you believe in having the option of purchase?—Yes; I believe in getting hold of as much freehold as I can.

177. Do you think that would be wise if generally followed?—Yes—to the men who get it; but I do not think it would be in the interests of the State.

178. Would you be in favour of limitation of freeholds?—My opinion is that there should not be any freeholds at all.

179. Why?—It should be all leasehold. I think that the freehold is very injurious to the State. There must be something good in it when all the people crowd after it. It must be doing some one harm.

180. Do you think there is a rush for the freehold because it pays the freeholder?—Yes.

181. Not having the water when you originally took up the section at a certain rent, how do you justify your claim?—Because the maps drawn up by the surveyors would lead any one to believe there was water on it.

182. *Mr. Forbes.*] You consider the lease in perpetuity a good lease?—Yes.

183. Do you consider that it is worth 1 per cent. more to get the right of purchase?—Yes.

184. Why?—As I said before, I believe in getting hold of as much freehold as I can, because the unimproved value seems to be more on the freehold than on the leasehold.

185. That is your experience here—that leaseholds are not sold so readily as freeholds?—Yes.

186. Therefore you prefer the freehold because you can sell it or deal with it more readily?—Yes.

187. Do you think it would be a good thing if some of the large runs were subdivided?—Yes.

188. Is that the general opinion in this district?—Yes. I quite agree with the evidence of Mr. Scott and Mr. Law about that. They can be easily enough cut up. I am referring especially to such land as at Puketoi. I think they will have to be a bit careful about cutting up Blackstone.

189. If the Government were to cut up some of that land you think there would be a good demand for it by people living about here?—I feel sure of it.

JOHN LAW, sen., examined.

190. *The Chairman.*] What are you?—I am a farmer, and have 900 acres of freehold and between 500 and 600 acres under lease in perpetuity. I prospected the Gimmerburn for land, and petitioned the Government to throw open the block in 1881. I have been there since the beginning of the settlement. My farm is about six or seven miles from Ranfurly. For my lease-in-perpetuity land I pay 9d. an acre. I am quite satisfied with the tenure and the rent. I merely wish to emphasize what my son has already said with regard to the high country. There is a disability suffered by those holding beyond 1,000 acres of the low country. If that disability were removed it would be the means of giving greater facilities for occupying the high country. The high country should be used under the small-grazing-run system, with security of tenure, and residence should not necessarily be required. There is a disability attached to small-grazing-run holders. They are only allowed to hold one small grazing-run, and there are some of the small grazing-runs that are too small. They should be allowed to hold up to the maximum, which is 5,000 acres.

191. *Mr. Matheson.*] Do you think that a man who holds a freehold is likely to make a better home and improvements, and take more care of his land in some degree than a man who has a leasehold?—The lease-in-perpetuity sections obtained here from other tenures are practically from restrictions imposed in the case of lease-in-perpetuity land under the land-for-settlements system, and they are practically as good as freeholds. I think that is why Mr. Scott could not see the necessity for a Land Board.

192. Do you think that the lease-in-perpetuity holder is as likely to do justice to his land as the freeholder?—No doubt of it.

193. *Mr. Paul.*] Does it pay a leaseholder to take care of his land in respect to cropping?—Yes.

194. There are freeholders who do not know how to take care of their land?—Sometimes they do not get the opportunity—they are more bound than the leaseholder.

195. *Mr. McCordle.*] Have you noticed what is being done in the way of using artificial manures for the growth of turnips?—Yes. Phosphates and patent manures. I am experimenting just now. It is water that is being required here more than the manures.

NASEBY, FRIDAY, 17TH MARCH, 1905.

JAMES BROWN examined.

1. *The Chairman.*] What are you?—I am a general storekeeper. I have been about thirty-five years in Naseby. I also hold a few sections in the town.

2. I believe you have an intimate knowledge of settlement in this district, both agricultural, pastoral, and mining?—Yes.

3. You have also had dealings with the Land Board?—Yes.

4. Do you think the present constitution of the Land Boards satisfactory?—I would fancy that an elective Board would be preferable.

5. What constituency do you think should elect them?—I should say the district over which they presided.

6. What is your opinion in regard to the occupation of land, and the best way of putting people on it, and the best tenure for the settlers and the country?—I am inclined to think that the most satisfactory to the greater part of the settlers would be a small piece of freehold with their leasehold. I would think that the freehold should be in proportion to their leasehold, say, from 50 acres to 300 acres. I am speaking, of course, in regard to this district.

7. How much leasehold would you allow them to hold?—That should be decided by the carrying-capacity. I would limit the carrying-capacity to probably five hundred or a thousand sheep.

8. Another matter affecting the settlement of this country is the question of water-supply: do you think there is sufficient water within the watershed of this great plain for all the wants of the farmers if properly distributed?—If the water was conserved by dams there would be enough for all practical purposes, as well as mining. But in dry seasons such as the present there would be a scarcity.

9. *Mr. Johnston.*] You know the Buster pretty well?—Yes.

10. What height above the sea-level up the Buster could sheep conveniently winter?—I think, about 2,000 ft.

11. Have you ever known sheep to be kept on the Buster Hills or on the other side of them during the winter?—Yes.

12. What height above sea-level there?—One part of it which used to be in the Kyeburn Station would be nearly 4,000 ft.

13. Is that on the Waitaki watershed?—Yes, it was on the west side of the Otamata River.

14. Is there good summer feed up there?—Yes.

15. Do you know of any large station here which could be conveniently cut up, giving a proportion of summer and winter country?—A petition was sent round here some six months ago for signatures for the cutting-up of the Kyeburn Station, but a good many of the miners raised objections to it, fearing that the land would fall into the hands of the farmers and that their mining operations would be blocked.

16. The petition was not presented, then?—No.

17. Are any obstacles put in the way of the miners by the farmers?—There has been some trouble in the Home Gully in regard to the outlet for tailings, but I believe the difference has been satisfactorily settled now.

18. Are the farmers who object to the tailings freeholders or leaseholders?—I can scarcely tell you. I am inclined to think that some of them may be freeholders.

19. Do you think it is more advantageous to mine the land here than to keep it for agricultural purposes?—Some of it should be kept for mining, because that industry gives employment to a large number of men who otherwise could not make a livelihood. Not many of them have money to go and settle on the land. If any convenient land was available many of them could combine a little farming with their mining. When there was not enough water for mining they could occupy their full time in farming. That is the reason why this petition went round.

20. According to that the miners are not prosperous: are they making a living?—A good many of them are doing a great deal more than that, but many of the miners here with families have no way of utilising their time when the water is scarce.

21. You think the demand for land is considerably greater than the supply?—Yes. I do not know how much of the Kyeburn Station would be available, but if it is cut up enough country should be allowed to winter the sheep that are run upon the high country.

22. You would believe in the land being cut up in such a way as to give summer and winter country?—Yes.

23. *Mr. Paul.*] You would approve of cutting up the Kyeburn Run?—I am scarcely prepared to answer that question. I speak of the matter because others have been agitating.

24. Have you any idea how many signatures were placed on that petition?—No.

25. Have you any idea why it was not presented to the quarter it was intended for?—Because many of the miners here feared that their mining outlets would be blocked if the land got into the hands of the farmers.



26. To your knowledge, did any miner sign that petition?—I cannot say.
27. If Kyeburn were subdivided can you see any reason why the holders of small grazing-runs and the miners should not work amicably together?—I know of no reason why.
28. *Mr. Hall.*] You stated you consider that Land Boards should be elected?—Yes.
29. If the Land Boards were elected by a franchise, in effect the tenants would elect the members?—Yes, that is my idea.
30. If you owned 10,000 acres of land and leased it out to forty or fifty tenants, would you be disposed to allow them to appoint a Board to fix the rents they should pay, which would mean that they would be fixing the rents themselves, while you would have no voice at all in the matter?—I can see no objection in common fairness to all men why that should not be so.
31. If they had the fixing of the rents, and you, the owner of the land, had not voice at all, would they not make the rents very low?—Apparently the Crown tenants have had some control already in fixing their rents. They all bid high for a lease at many of the sales on purpose to get it. Then they place as much improvements on it as possible to put it out of the reach of other people, and then they throw their sections up. That is my reason for saying that it is apparent by that act that they partly determine the rents they shall pay.

JAMES LOBB examined.

32. *The Chairman.*] What are you?—I am a hotelkeeper. I have not been long in this district.
33. Have you ever been engaged in any other occupation?—Yes. I managed at Black's for Mr. Naylor.
34. I understand you have had a great experience in keeping the rabbit-pest down?—Yes. We were not troubled much with miners up there; but what I would say is that the railway has made a great difference to Maniototo in the matter of rabbits. When the railway got to Wedderburn rabbits were bringing a big price in London, and they were worth about 4d. each at the railway-station. The railway gives facilities for taking them away. It was a profitable business then.
35. Did not this profitable business not have a tendency to stop poisoning with pollard?—I do not think so, because the farmers in their own interests poison in the summer-time. You see, the grass on the Maniototo is a long way ahead of what it is on the Upper Clutha, and the land is just the same. I attribute that difference to the rabbits having been kept down here.
36. Was the grass ever eaten out here?—Yes; it was just as bare at Maniototo ten years ago as it is at the Upper Clutha now. It has recovered since the rabbits diminished. One farmer told me to-day that he reckoned that his land had improved from £1 to £2 per acre since the rabbits had been killed. The trouble now is that the price of rabbits has gone down in London, and it is not so profitable to send them Home. I think if the railway authorities were to send rabbits to the freezing-works almost railage free it would be in the interests of the country. It would then be profitable to catch them. The present freight on rabbits is pretty high, because the Department has not thought it an advantage to the colony to send them away. It was thought there would be a tendency to farm the rabbits, but that has not been proved to be the case.
37. *Mr. McCuchan.*] You attribute the clearing of the country of rabbits to the prices realised in London some years ago?—Yes.
38. You said the price has now fallen?—Yes.
39. Will it pay trappers now to trap the rabbits?—I think it would where they are very thick.
40. Do you think the rabbits will make headway under the present prices ruling in London?—It is hard to say. I think it is likely they will.
41. *Mr. McLennan.*] Do you think if the Stock Inspectors and the farmers did their duty in the summer-time, when the rabbits breed, there would be any rabbits for the railway to take away?—Yes, I think so. The poisoning proved a failure to some extent. The rabbits increased until the railway came up. I think the two methods should be worked together.

JAMES ROBERT KIRK examined.

42. *The Chairman.*] What are you?—I am a solicitor practising in Naseby. I am not a farmer.
43. In your business as a solicitor I understand you have had a good deal to do with advising tenants about advances from the Advances to Settlers Office?—That is so. For some years I was solicitor to the Advances to Settlers Office.
44. We have been told there is great difficulty in getting this money, and that in many cases no advances have been made at all, and that the tenant has had to go to the private lender and borrow the money at a higher rate of interest than the Government charge: has that been found at all frequent in your experience?—I found that the machinery was very complete so far as making out an application for a loan was concerned. I found that the Department advanced on sound business lines according to their powers. You know, of course, up to what limit they can advance. It appears to me, perhaps, that the limit should be extended. The Government are not recognising the interest a lessee has in the goodwill, and the goodwill in this district is a very considerable asset. I think that if the Government had power to make loans up to three-fifths of the total value of the lessee's interest in the whole of the holding, including not only the improvements but his interest in the goodwill, they would be running no unnecessary risk.
45. Then, you think that the *modus operandi* is just as smooth as it could be, but that the amount lent on the security should be greater than it is now?—I think so. I found also that if the Government did not authorise the full advance which was asked for they generally let the applicant know what amount they were prepared to advance. In nine out of ten of the cases the proportion was accepted.
46. I suppose in your business you have people come to you about tenures? I find that a great many witnesses are vague in their ideas about the tenures: has that been your experience?

—I know what the various tenures are. I might say that, so far as this immediate neighbourhood is concerned, being a mining community, I think it is unfair to the farmer as it is unfair to the miner to grant even a lease in perpetuity where gold-mining is not altogether out of existence, because of "The Mining Act, 1898," as amended by the Act of 1899. The miner must give compensation to the holder of a lease in perpetuity—not only the value of the improvements which would be destroyed, but also for such damages as might be occasioned. The wording is a little indefinite. I think that the miners are quite agreed that where the farmer has a title he is undoubtedly entitled to compensation; but they would prefer that no title should be given, so that the farmer would not be misled, but might devote his energy in another direction and leave that piece of land to the miner. If the land is held as at present under yearly grazing licenses the miners have no difficulty at all in arranging with the farmers.

47. Of course, your suggestion would do very well if the farmer was purely a grazier, but it would not work very well if he was engaged in farming proper. Do you not think it would be better for the Government in future to lay off wide stretches of land for mining outlets?—Yes; I think the Mines Department could easily do that, and then to a great extent all difficulty would be got over.

48. Can you suggest any improvement in regard to balloting?—I have had a good deal of experience, and I find the farmers are very well satisfied with it, and have no great objections to the ballot system. There is one thing I have heard complaints about, and it appeals to me as a very reasonable recommendation. It is this: Supposing an estate is cut up and divided into small grazing-areas, and that perhaps a dozen small grazing-runs are opened for selection at the same hour at the same place, one man could apply for only one of these runs. Now, it is possible that every other applicant might hit on the same run, and therefore the remaining eleven runs would require to be offered again on perhaps another day. I think the better way would be to allow the applicants to apply for all the runs which were offered on the one day, and when an applicant was successful he must take the first of the runs he applied for, because it must be considered that he is satisfied with any of the runs he applied for, and then he drops out of the ballot. Of course, everybody would be on the same footing. My idea is that a ballot should be held for each one separately.

49. Is there any other point you would like to mention?—As a solicitor I have had a great deal of work to do with the Land Board, and so far as the administration of the Otago Land Board is concerned I have to speak very highly. With regard to the conditions applying to the various tenures, such as the residence conditions, I have found that as far as possible the Board has given the tenant every consideration, and that they will not really make him reside on the land when they are assured that otherwise the land will be looked after, and that it would not be reasonable to compel him to so reside. I think that any system of elective Land Boards would be very cumbersome; but there is a feeling in this district that perhaps an Otago Central man should be on the Board. At present all the members are residing along the sea-coast.

50. Then, you think nomination as opposed to election is the best system?—Yes.

51. *Mr. Paul.*] Have you any experience as to whether an aggregation of estates is going on?—I do not think so. I think the lands in this district are very fairly divided. Of course, where a man has fourteen to twenty-one of a family it is possible that they may hold seven runs between them, but I do not think that is unreasonable.

52. Can you say from your knowledge whether land is increasing in value in this district?—Undoubtedly it is.

53. Both leasehold and freehold?—Yes.

54. *Mr. McCutchan.*] Have you known any instance where an advance has been refused by the Government Advances to Settlers Office where the money has afterwards been obtained elsewhere?—I cannot say that I have. I know that I have made application to the Government for loans of perhaps a large amount, and the answer has come back that the Government were considering loans up to £500, and that such loans would have preference.

55. In regard to the question of families and where the land is taken up in a child's name, has not each child to make a declaration that the land is for his own exclusive use and benefit?—Yes.

56. And there is permission to reside with the parents until he has reached the age of twenty-one years?—Yes.

57. You do not regard that as aggregation—is that not perfectly legitimate and just the same as though another man's child had applied for the land?—Yes. Some people may be prepared to argue that it is aggregation, but I cannot see why a child because its father owns a bit of land should be precluded from applying for another piece.

58. *Mr. Hall.*] I understood you to say that when a settler holding land under the Land for Settlements Act applies for a loan it shall be based upon his interest in his lease?—I would not say under the Land for Settlements Act. We have not had much to do with that Act here; but so far as the lease in perpetuity and perpetual leases are concerned I think that should be the case. I should be inclined to make valuation of the lessee's improvements and of his interest in the goodwill, and then allow an advance up to three-fifths of the whole. I think that strict business lines should be followed in making these advances.

59. *Mr. McCardle.*] Have you had any experience of bush lands?—No.

60. I suppose you can quite see that in the case of a man who takes up a bush section at 10s. per acre, and is required possibly to spend £4 per acre in improvements, that that amount would not represent the whole of his improvements. For instance, the Lands Department, by its Ranger, values the improvements on a bush section in this way: he puts down a stated sum for bushfelling, a stated sum for grassing and fencing and houses, and so on. These may all have been done by contract, and though the man may have been working consistently for four or five years in still further improving his land those further improvements are not taken into considera-

tion at all in making an advance—the improvements still stand at the first fixed sum. That man's interest has increased not as represented by the value of the Ranger but by the settler who is acquainted with the land, and that man's interest is worth what that adjoining settler is prepared to give: do I understand that it is on such a basis that you would make an advance?—Yes.

61. You also know that as matters stand there is great difficulty for the settler under lease in perpetuity to get assistance from outside sources, and that he has to rely on the Advances to Settlers Office?—Lenders as a whole much prefer the freehold to any leasehold; but really for myself, with care, I would not be disposed to refuse a loan.

62. Do you think that some of the restrictions now existing in regard to bush land might be reasonably removed?—Quite so.

63. *Mr. McLennan.*] Would you be in favour of giving the Land Boards more discretionary power in the matter of applications which they could decide for themselves, but which at present they have to send to the Minister of Lands at Wellington?—Yes; I think they are quite capable of dealing with a lot of the applications which have to go to Wellington.

64. *Mr. Matheson.*] Do you not think that in dealing with such an important piece of the public estate very great care should be exercised to do it judicially?—Yes.

65. Do you think that the Commissioner of Crown Lands would perhaps do the business better without the aid of the members of the Land Board, provided he had thoroughly competent Rangers to report?—I am sure the Commissioner does the majority of the work, and he guides the members, I dare say, more than they guide him.

66. Do you look on the Land Boards as a very expensive piece of machinery?—I do not think they are very expensive. I think it would be only fair to the Commissioner that he should have associated with him gentlemen from various parts of the district; otherwise he would be black-guarded to a great extent.

67. Do you not think that sometimes there would be much less reason to blackguard him if he was able to entirely use his own judgment?—That may be true.

68. When the statement was made that the Advances to Settlers Department were first considering loans up to £500 did you think the reason for that was that there was a shortage of money available for loans?—That was the reason I assigned to it. There is one point about which I do not wish to express an opinion one way or the other, but it might be advisable for the Commission to take a note of, and that is whether it is advisable that lands which are to be ultimately given to the people should be given to them at a time when stock is very dear. If the agitation for the cutting-up of the big runs comes from poor men is it not advisable that the runs should be thrown open when poor men may be able to stock reasonably? I only want to say, in regard to the freehold *versus* leasehold question, that what we want is a contented people.

69. *Mr. Johnston.*] Do the Advances to Settlers Office prefer to entertain large loans or small loans?—I fancy, small loans. They told me that preference would be given to loans up to £500.

70. Do the large runholders apply to the Government Advances to Settlers Office for money?—Not to any great extent.

71. *Mr. Matheson.*] You said that what we want is a happy and contented people: do you think we are likely to get them if the freehold is gradually granted to the land, or if we continue the leasing system?—I think, under the freehold.

BERNARD GORDON examined.

72. *The Chairman.*] What are you?—The last thing I was at was mail-contracting. I have also been engaged in mining. I have never been a landowner in this country.

73. What would you like to bring before the Commission?—I think the present land laws, with a few amendments, will do very well. I think the Advances to Settlers Act should be amended so as to encourage lease-in-perpetuity holders to borrow money from the Government instead of going to the private money-lender. At present the private money-lender will not advance on lease in perpetuity, and they tell the tenants to go and get the freehold, and so the agitation for the freehold is kept going. We also want more facilities for mining outlets in regard to all future lands opened for mining. It does not do to leave the matter to the farmers, because the people about here are too selfish. I do not believe in the aggregation of great estates.

74. There is not much aggregation of estates going on here?—Not yet, but I think it will occur if the people get the freehold. It is human nature.

75. *Mr. Forbes.*] Do you believe in giving the tenants the right to make their holdings freehold?—No.

76. Do you think the leasehold system is better for the country than the freehold?—I do.

ROBERT JOHNSTON examined.

77. *The Chairman.*] What are you?—I am a miner first, and a farmer by compulsion. I have been in the district since 1863. I was a water-race proprietor. I live at Blackstone Hill.

78. I suppose you quite agree that the question of providing for mining outlets should be seen to?—Most assuredly.

79. In regard to water-supply, do you think that the miners are using more than they want, and that such water might be diverted to the farmers?—It would cost too much. This plain is not suitable for irrigation. There are too many humps and hollows. There is a lot of hanging ground at the foot of the hills which could be greatly improved by irrigation, and if the farmers could get the water at a reasonable price it would certainly be a wonderful improvement. However, the work would not be worth undertaking.

80. Is there anything you could suggest in the way of amending the Land Act which you think would be beneficial?—I might say that, as far as the leases in perpetuity granted under the Act of 1893 are concerned, the land is as open to the miner as any ordinary Crown land, but before that it was different. Now the farmers under the lease in perpetuity, since 1893, can offer no

obstruction to the miner. I do not think a lease in perpetuity should be granted near mining at all. The way things are going here it will soon be impossible to carry on mining. I think it is a pity that mining and farming and grazing cannot go on together. In regard to the Land Board, I think that a man who owns an estate has a right to appoint his own managers, and therefore I think it would be a wrong thing altogether to have the Land Boards constituted in any other way than they are at present. I think, though, that the members of the Board should be scattered over the land district as much as possible in order to have a bit of local knowledge on the Board. I think we have the very best representative here, and that is the Chief Commissioner himself. I think the Land Board should have more extended powers. I have had to write on behalf of myself and other people to the Minister of Lands, and he replies, "I cannot interfere with the Land Board," and then, when we approach the Land Board, they say, "We cannot go outside the Act." I think the Land Board should have more discretionary power. For instance, there are several families up our way—in fact, we have had to knock off dealing with them because we could not get land for them—who have small grazing-runs and some of them are as big as 330 acres, and they wished to be able to group some of these runs together in order to have enough land to live on, but although they were living next door they were not allowed to do so. I think it is a shame to stick one family on a small piece of country like that. It is the coldest place in the world, but the people are acclimatised now, and I think it is far better to give the land to the people who are acclimatised and who understand the country. I think the Land Board should have more power to group these runs together, and I would let the other people who want land go somewhere else. I also want the runs to be grouped together without surrendering, and the present holders to get them without having to go to the ballot. If the land goes to ballot all your improvements go to "pot," and if a man has been there thirty or forty years he should not be asked to shift. I think the ballot is all right, but the trouble is that the Government do not open enough land to go round. I think if the Land Boards Conference suggestion is given effect to—that if a man and his wife goes into the ballot and one is successful the other must withdraw—it will have a bigger tendency to stop the birth-rate than anything else. What is the use of growing families unless there is land to put them on. I also think that members of a family should be allowed to transfer from one to another just as easily as a man who lives next door to them can transfer to a stranger.

81. There have been such dodges in transferring land that all these restrictions have been put in for the honest purpose of preventing dummyism?—I can quite see that. I understand every inch of the land between here and St. Bathans, and it is unsafe country for sheep. You have to feed every beast during the winter, and therefore I think the people who classify the land should go up in the winter to fix the rent. They go up in the summer and sit down on a hot rock to eat their lunch and say, "What fine country this is." But in the winter-time they would not see the fences for the snow.

82. *Mr. Johnston.*] You were manager of the water-race first for many years, and you know the country from where the race comes in to Naseby?—Yes.

83. How many acres are you now farming?—50 acres of freehold and 400-odd acres of small grazing-run.

84. How many acres in the name of the family?—Altogether, including my brother, 2,100 acres.

85. What you wished to tell us was that you wanted that place, and that you wanted other runs for your boys?—Yes; but I would like you to understand that I cannot leave the land behind in a satisfactory way to the rest.

86. But 2,000 acres of that land is little enough to make a living: could you have lived if you had not had a mining claim to bring in some money?—Not until this year.

87. It is not as necessary to irrigate the land around here as it is necessary to get good returns in the Manuherikia Valley?—In some portions in these plains it is just as good on the shingly bottoms down the plains, but you cannot get water on it.

88. But suppose you were able to get water, would it do good?—It would be a wonderful improvement.

89. Have you ever known good grass to grow on tailings?—Yes.

90. As good as on the ground that has not been interfered with?—Better in some cases, because the land was trenched and surface-sown on the top of the trenching.

91. I mean on land that has not been covered at all?—Not so good there, but ultimately it will be.

92. You do not approve of these residential clauses?—Yes, for people out of the district; but if a man is living in a district and land is thrown open there, I say he ought not to be asked to go out of a good home.

93. You mean that the young fellows growing up here prefer to take land up in the district to going to other parts of the colony, and you say they are seasoned and experienced in the land here and are not seasoned or experienced in regard to the bush lands of the North?—That is so. Some of my boys are getting grey-haired waiting to get land. They have gone in for every ballot at Highfield and Patearoa, but they have not been successful.

94. Do all the big runholders reside on their properties in this district?—No.

95. Do any of them?—Occasionally, but their principal homes are not here. I think Mr. Laidlaw and Mr. Jopp reside constantly on their stations.

96. Do you know anything about the grassing of these runs?—Yes.

97. What would you suggest as a good way to regrass the high country at the back?—I think a good suggestion is to try sowing couch-grass in the spring. I tried it myself, but I could not get it to grow. I am going to try cocksfoot.

98. Have you ever known anybody to try regrassing the high country?—Not to any extent.

99. Are any of the runs here suitable for cutting up at the present time?—They are all fit to be cut up, but they should not be cut up to carry less than two thousand sheep.

100. *Mr. Paul.*] You know the three runs held by Ross and Glendining—namely, Blackstone Hill, Lauder, and Home Hill: is Blackstone Hill good winter country?—No; it is very unsafe.

101. A portion of Blackstone Hill is low country worked in connection with the other runs?—Yes.

102. Supposing that were taken away and subdivided, would it be to the detriment of the other runs?—Yes.

103. You think these three places should be cut up and subdivided together?—You cannot ask them to work the station without taking the lot.

104. Could these runs be cut up to give a fair proportion of summer and winter country?—They would not work together. The low country is so far away from the high land that if you waited for a snow-storm you would be too late to get your sheep off.

105. Could Lynburn be cut up to advantage?—I do not know, but it was an iniquitous thing to release Puketoi. We sent petitions, with seven hundred to eight hundred names on them, asking that it should be cut up, but they were disregarded.

106. Why was not the Puketoi cut up?—Simply because of the influence of the man who holds it. I know some people who signed a petition against the cutting-up, and when I asked one his reason he said he wanted some of it, but he was not ready then to take it up.

107. Do you mean to say that this one absentee owner had more influence than that great number of petitioners?—He got another twenty-one years lease; so, evidently he must have more influence.

108. What is his name?—Watts and Sheehan.

ROBERT SHEPPARD FRANKS INDER examined.

109. *The Chairman.*] What are you, Mr. Inder?—I am a butcher. I have 250 acres of freehold in the Mount Ida Valley, three miles from the Wedderburn Hotel. I have had the land for eight years. My wife has 350 acres in the Maniototo, six miles from the other place. That is also freehold land. It was taken up as a perpetual lease in 1892, I think.

110. Is there any particular matter you wish to bring before the Land Commission in regard to land-administration?—Personally, I am a freeholder. I take it that the freehold is not the fetish that it was in the Old Country. The freehold tenure undoubtedly gives a man more incentive to work than a leasehold does. In a district like this, with mixed industries, great care must be taken in granting freeholds in the vicinity of mining interests. I hold that if a man wishes a freehold he should be able to get it. I recognise that the perpetual lease and other lease systems have been a wonderful assistance to many who have settled in this colony. I consider that in the public interest there should be endowments reserved for public institutions—Corporation, education, and so on—and these should not be capable of being made freehold. These will increase in value and an income will be derived from them.

111. Do you think the lease in perpetuity is a good system?—No, I do not. I take it that the object of the lease is that the State should reap some benefit from the increased value. If you give a man a 999-years lease the State will not reap much benefit from it. Perpetual lease or something of that nature is much better than the lease in perpetuity.

112. Have you any remarks to make with regard to the mining, agricultural, and pastoral interests clashing?—They do clash sometimes, and it is a difficult problem. I heard a gentleman suggest that one way to overcome the difficulty was to only give small grazing-runs in the vicinity of mining interests or where mining is likely to be carried on, and I think that is a good idea. Under that system a miner would have fairly free access. Under any other tenure you must make ample reserve for outlets.

113. What is your opinion about the water-supply?—They could use more water for mining here if they had it, and if there was more water there would be more mining. What you used to pay £5 for in the early days you would pay 5s. for now.

114. Is water more plentiful?—Of course. The Government race has been brought in. In the olden days men would work for part of a week breaking dirt down, and then they would wash it away. The easily worked ground is gone now, and unless a man can shift an immense quantity it will not pay. For every miner here now I suppose there were a hundred in the early days.

115. Although water is cheaper it is not so profitable to the workers on account of the poorness of the ground?—Yes, that is so.

116. The Government have given a concession in the way of cheaper water?—Yes, in order to keep the field going.

117. I presume it follows that the water-rates do not amount to any adequate interest on the capital sunk and on the maintenance of the race?—I think it pays its way, but I am satisfied that the return in the shape of interest is very small.

118. What did the fifty-mile race from the Manuherikia cost?—The race and sludge-channel cost over £50,000, I think. The Eweburn Reservoir is not included in that, and it cost between £15,000 and £16,000.

119. *Mr. Johnston.*] How high up could you winter sheep in this district?—It would depend greatly on where the country is that you are using.

120. Well, on the Naseby side of the watershed?—Naseby is nearly 2,000 ft. above sea-level, to begin with. I should say they could be wintered about 1,000 ft. higher than this, but there would be a risk.

121. How high could you winter sheep without risk?—I do not think there is a great deal of risk up to 3,000 ft.

122. On the snow slopes facing the Rock and Pillar how high up would you put sheep?—You could winter there nearly 2,000 ft. up—that is, 4,000 ft. above sea-level. As a matter of fact, there are sheep wintered on the back of Mount Ida, a good part of which is over 4,000 ft. high. Of course, there is considerable risk in that.

123. At what date would you put them on and take them off the roughest country about Maniototo?—I would put them on in November and take them down in May—that is, on the very roughest country. Of course, sheep are taken to the back of the Buster about November.

124. How many sheep could a man make a profitable living from?—It depends on the price; but I think a man should do fairly well with a thousand sheep on the low country.

125. And on mixed country?—About two thousand sheep.

126. Will this country cut up, giving a fair proportion of winter and summer country?—No.

127. The Mount Ida district will not cut up in that way?—No.

128. What about Patearoa, Linburn, and Puketoi?—I believe there is some good country up the river, but I am not sufficiently acquainted with it to give a definite opinion. I think that Puketoi would cut up.

129. Have you done any grassing on high country?—No. I do not think any has been done. Some was done down the plain in the tussock.

130. How was it done?—Fire was run through the tussock and scrub, and the seed sown. It was fairly successful.

131. What grass was sown?—Mostly cocksfoot.

132. You have had a good deal to do with mining?—I have been connected with different concerns.

133. Is mining prosperous?—A number of people who have claims are doing very well.

134. What is your opinion about the constitution of Land Boards?—I think that the election for the Hospital and Charitable Aid Board is a farce in this district, and I think the same result would follow in the election of a Land Board. People generally would not take an interest in it. I think that the present system of nomination has given satisfaction to the people generally. If members were elective and a clique wanted to get a man in they would take a little interest in the election, as has been done in connection with the Hospital and Charitable Aid Board, and return their candidate. I think that if the Government select suitable men it is a good plan; but I consider that, seeing the large amount of land in Central Otago, the members should be drawn from a wider area than is the case at present.

135. Would it answer if the Government made a nomination from each county?—I think the Government ought to take men from the district in which they have most land. At present the majority of the members of the Otago Land Board come from the coast, where the conditions of working land are very different from ours.

136. You believe in the freehold?—Yes.

137. Have you had anything to do with the Advances to Settlers Office?—A little.

138. Was it satisfactory?—No. There were differences of opinion as to value. In one case a certain sum was required, and the Government said they would only give a stated amount, which was refused. Later on considerably more than one-third of the valuation was obtained from a private individual at 6 per cent.

139. Is land changing hands to any extent?—In a few cases. Land is dearer now than it was ten years ago, but it is not as dear as it was twenty years ago.

140. If there was more land put in the market in suitable areas would it be taken up?—There is a good demand for land, as was shown by the opening of the Patearoa and Highfield lands.

141. *Mr. Paul.*] Would a good farmer be a bad farmer on a leasehold?—I do not think so.

142. He could produce as much on a leasehold as on a freehold?—I suppose he could, but he would not make the improvements on his leasehold that he would on his freehold.

143. Would he do so if he had a 999-years lease?—I do not think he would; but, for myself, I do not see why he should not.

144. Would you extend the option of the freehold to lands taken up under the Land for Settlements Act?—I see no objection to it. At the same time I would restrict the aggregation of large estates. A limited freehold is the best, I think.

145. What would you consider a fair limit?—One would have to decide that according to the quality of the land in the district. Value would be better than area.

146. Would you give the freehold of Corporation, education, and other endowments?—No.

147. Do you not think that would interfere with the productiveness of those endowments?—I do not know about that. I think that when a man has a leasehold and is coming near the end of his lease he will take as much out of it as he can.

148. If it is wise to set aside endowments for educational purposes should not all lands be reserved?—No. The freehold makes all land more valuable.

149. Am I right in assuming that you support revaluation of future leases at certain periods?—I favour the perpetual lease, and under that form of lease revaluation is made. I say this: If a man makes a bargain he must stick to it, and those who hold leases in perpetuity at the present time should not have the option without making a fair bargain with the State.

150. Do you think that the present method of electing members of Hospital and Charitable Aid Boards is a fair test of the elective principle?—No; I really do not think it is.

151. *Mr. McCutchan.*] You are aware that it is proposed in some quarters to settle the back country in the future under perpetual lease, with periodical revaluation: do you think that would be conducive to settlement or otherwise?—The perpetual lease, and before that the deferred-payment system and the agricultural lease, were the means of settling many people on the land, and I think it would have the same result in the future.

152. Do you think that a revaluation clause would be detrimental in any way to settlement?—I do not think it would be.

153. *Mr. McCardle.*] You say that you have known cases of disappointment to settlers who had applied for advances under the Advances to Settlers Act: from what cause did it arise?—From a difference in opinion as to the values.

154. Are you of opinion that the Advances to Settlers Act has brought down the value of loans to a very large extent?—I believe it was a good thing, and of great assistance to many people.

155. *Mr. McLennan.*] Do you know of any Crown tenant between Naseby and Hill's Creek who has acquired the freehold of his property and immediately sold out to his neighbour for double the value?—I cannot say that I do. A private sale was made of one place, but I do not know the details. I believe one condition was that it had to be made freehold. It was a perpetual lease, and the man had a perfect right to make it freehold.

156. Does that man farm his property better than the Crown tenant did?—I think he will, unless I am mistaken in his character.

157. *Mr. Matheson.*] Do you think the Government water-race is ever likely to pay interest?—No.

158. Do you think that by careful examination engineers might suggest a scheme to cost, say, £20,000, to provide a reservoir for irrigation purposes that would enhance the value of this lower land so much that the rents would pay good interest on the expenditure?—There is a considerable portion of the Maniototo which would do very well under irrigation. When you get out into the plains you could make reservoirs cheaper than the one under the hills. I think the land below the Rough Ridge Railway-station would pay, and there is a lot of Maniototo land that would pay. Some of it with a clay bottom would have to be carefully dealt with, because if it got too much water it would get sour. I believe that sites have been surveyed for two reservoirs by Mr. Perham, a Government surveyor.

159. Did Mr. Perham publish a report on the matter?—I believe he did. If so, it will be found in the reports of the Mines Department. He also made estimates of the works.

WAIPIATA, SATURDAY, 18TH MARCH, 1905.

ROBERT LOGAN examined.

1. *The Chairman.*] What are you?—I am a small-grazing-run holder. I have been here twenty-two years. I hold nearly 5,000 acres of small grazing-run and 1,500 acres of pastoral deferred payment, and I work in conjunction with them a small grazing-run of 2,500 acres held by my mother. My wife holds 630 acres under lease in perpetuity. I have no freehold.

2. Do you feel satisfied under these several tenures?—Certainly. I prefer the small grazing-runs to the pastoral deferred payment. I have found no objection so far to the lease in perpetuity. I ascertained if it was possible to have accrued payments on the deferred payment placed to the credit of rent to accrue, but I found it could not be done. I might say that I have paid about £1,000 on the 1,500 acres of pastoral deferred payment, and, roughly, £500 is still due.

3. Having in view your dealings with the Land Board, do you feel that the present constitution of the Land Board is quite satisfactory, or is there anything you could suggest by way of a change?—I have nothing to suggest. I may say I have never been harassed by the officials of the Land Board in any way. They have, of course, inspected my place to see that the improvements are there, but in doing that they were only doing their duty. But I think it would be advisable if the Government would accept suggestions from the people of the district as to members to be nominated. As a matter of fact, the Government do take the representations of the settlers into consideration. I do not think an elective Land Board would be suitable.

4. Is any of your land fit for cultivation by the plough?—I made it fit, but it is really pastoral land pure and simple. I spent a lot of money in taking out the stones and ploughing the rough land. My land is quite unfit to cultivate, but I laid down 1,000 acres in English grass after growing turnips. It would be profitable to me if I had never touched it.

5. Was the growing of grass successful?—Fairly successful. Of course, it has been on selected pieces of land.

6. You think it hardly paid you?—I am perfectly certain it would be money in my pocket if I had never done any cultivation.

7. Did you ever try surface-sowing with grass?—To a small extent, but it has not been very successful.

8. To what do you attribute the non-success of surface-sowing?—To the dry seasons following a hard frost in the winter. The ground is blown up by the frost, and a north-wester comes and perishes the root. If we could roll the ground in the spring after the frost has gone out it would be successful, but the roughness of the country makes that impossible.

9. What is about the carrying-capacity of your holdings?—About four thousand sheep to 10,000 acres, and I grow 100 to 200 acres of turnips as winter feed for the hoggets.

10. Do turnips grow fairly well here?—Yes, in a suitable season.

11. *Mr. McCardle.*] You are acquainted, I suppose, with the larger runs surrounding this neighbourhood?—Yes.

12. Are these runs suitable for cutting up into smaller areas than now exist?—Certainly, some of them.

13. Do you think the people here are prepared to take them up?—Yes. That has been proved.

14. In your opinion, is it desirable that some of them should be cut up?—There is certainly a demand for them.

15. *Mr. Hall.*] The reason that the English grasses have not been very successful here is chiefly due to the light rainfalls and severity of the winters?—Quite so, and the difficulty of rolling the country in the spring. You will understand that our cultivating season is all blocked into three months in the spring.

16. Do you think that surface-sowing on the higher country is not as successful as you would like to see it?—I do not think the game is worth the candle.



17. *Mr. Paul.*] Have you a knowledge of Puketoi Run?—Only superficial.
18. Would that knowledge enable you to give information as to the desirability of subdividing it?—It must be subdivided. There is a demand for it. I say that not from my knowledge of the land, but from my knowledge of the people on the plains.
19. You think that would be a wise step?—Yes.
20. Do you know the Ross and Glendining runs—Blackstone Hill, Lauder, and Home Hills?—To a certain extent.
21. Could the three of them be cut up?—There would be much more difficulty in cutting them up because there is such a large extent of summer country.
22. Supposing the Government took Blackstone Hill away, do you think that would render the rest useless?—You could not work Home Hills without Blackstone Hill. Of course, the summer country would have to be cut up and utilised.
23. Do you think the three runs could be cut up and subdivided to give winter and summer country?—Yes, judging by the past it would be all occupied. For instance, the Eweburn high country at the back of Mount Ida has been occupied by a syndicate.
24. Then, you think in the interests of the settlers these runs should be subdivided?—I do not know that it would be in the interests of the settlers; that is another matter.
25. Well, in the interests of the State?—Not in the interests of the State. But there is no question about it that the settlers wish the land.
26. Then, they wish the land, but you are not sure whether it would be in their interests to subdivide it?—That is so.
27. Do you think Puketoi should be subdivided?—It is certainly wanted.
28. *Mr. McLennan.*] Do you sow manure with your 100 to 200 acres of turnips?—I have been sowing the first and second furrow and then putting down in grass, but I would certainly use manure if I was working old ground. I know manure has been used very successfully here.
29. *Mr. Johnston.*] What is your average clip?—About 6½ lb. to 7½ lb.
30. You say you are sorry you have put some of it into English grass?—Certainly.
31. You think it is better to have it in the native grasses than to sow it down in English grass?—Yes, because if you cultivate here the portions you cultivate are your best winter country; and if you put them into English grass you turn them into summer country.
32. It is your richest ground?—Exactly. It carries nothing in the winter in English grass, and, of course, it is the best winter country in tussock.
33. How do you surface-sow on the higher ground?—By just going with a handful of seed and dropping it on to the moist patches. I cannot say whether it has been successful, because I have not done it to any extent. But, in regard to cultivation, if I had to start again, I certainly would not turn a furrow.
34. Not even for turnips?—No. I would perhaps carry three thousand or more sheep on the 10,000 acres, and I am sure it would be more profitable.
35. What about grain-growing?—I only grow my own horse-feed. It would not be possible to grow grain on my land. I have been unable to get any of the flats.
36. Has the cutting-up of the land been a success in Maniototo?—Certainly.
37. And the settlers, generally speaking, are satisfied?—So far as I know, they are.
38. They appear to be prosperous?—Yes, for the last few years; but ten years ago it was a different story.
39. Has the land decreased or increased in value?—Increased very much.
40. How much?—I should say it has increased £1 per acre all round on the plains in the last ten years.
41. You say Puketoi ought to be cut up: why was it not cut up?—I do not know. I was not a member of the Ministry.
42. You have never heard the reason why?—No. I have heard speculations on the subject.
43. What is the altitude of your country?—From 1,000 ft. to 3,000 ft. above sea-level.
44. Do you know anything about the Advances to Settlers Office?—I have had no dealings with them, but I know something about them. I have had some station-agent's experience.
45. Have they given satisfaction?—So far as I know, they have.
46. Are you interested in any other land than this?—None whatever.
47. Is there any Californian thistle in Maniototo?—I have not seen any beyond a little patch, and it has not increased to any extent.
48. Any ragwort?—Not that I know.
49. *Mr. Forbes.*] What do you think of the residence conditions attached to the various tenures?—I have worked out my sentence long ago. It was a limited sentence, because when I took up the land it was five years' residence, except for the lease in perpetuity held by my wife, and she has got exemption from the Land Board because she is residing with me on land adjoining.
50. Do you think these residential conditions should be amended in any way?—Yes, I do. I think that the residential clause in the old Act of 1882 is far preferable to the present clause. If a man went and lived five years on the land it was proof that he was a *bonâ fide* settler. It was all the proof that should be required.
51. Of course, under the lease in perpetuity you have to reside continuously?—Yes; but I think all the necessities of the case would be met by five years' residence and five years' residence after transfer.
52. Do you hold any opinion as to the most satisfactory tenure for land?—I think perpetual lease for thirty years, with revaluation, is best for the country.
53. Do you not think that lease would keep settlement off the land?—Certainly not. I do not think the lease in perpetuity is a good tenure.
54. What is your objection?—They are getting practically the freehold at the original valuation. It is entirely in the interests of the tenant.

55. You do not think it is a wise thing for the State to part with the land like that?—Certainly not. I do not know what they gain by it.

56. *The Chairman.*] How much do you pay per annum to the Government altogether?—Roughly, from £275 to £300 per annum.

57. *Mr. McCardle.*] Do you receive any reduction in rent for prompt payment?—Under the lease in perpetuity only. I may say that these rents were reduced after the 1895 snow-storm from 6d. to 5d. per acre. I would like to say a word or two on the subject of classification. I think that the whole of the present system of classification is wrong. A lot of the land up here is classified as first-class land. There is really no first-class land up here. It works out in this way: A man holding 200 acres of land in the Lower Taieri worth £30 per acre can come up here and take up 420 acres. Now, a man holding a large area, almost up to the full limit—say, 600 acres—up here, of first-class land could only go to the Taieri and take up 50 acres. One man would be holding seven thousand pounds' worth of land and the other man would be holding two thousand pounds' worth. I think that classification should be done by value entirely. I should say, if you want to limit a man's holding to allow him to hold ten thousand pounds' worth of land, he should be allowed to hold 20,000 acres if the land is worth 10s. per acre, and 10,000 acres if the land is worth £1 per acre. That is the only equitable way to classify.

58. Would you approve of Parliament limiting the amount of freehold land a man might hold?—Certainly, on value. I think that all the holdings in the colony should be on the same basis. I do not see why there should be any discrimination.

59. *Mr. Johnston.*] Of course, your basis is on the unimproved value?—Certainly. Another point I wish to bring out is this: I think there should be no discrimination against persons holding land. I think it is very unfair that a married woman should not be allowed to hold land exactly as a man or a single woman. I would point out that the daughter of a man holding 200,000 acres of land could take up a small grazing-run, but the wife of a farmer holding 200 acres could not. I think that is very unfair. Then, there is a great anomaly in regard to the married woman regulations as well. I can give you a personal instance which shows it very distinctly. A married woman can only hold half the area that a single woman can. My wife holds 630 acres under lease in perpetuity, and my mother 2,000 acres of small grazing-run under the former Land Act. My wife could buy out my mother, but my mother could not buy out my wife, although she is entitled to hold double the amount of land. I think these anomalies should be done away with altogether. The thing is absurd. In regard to the question of loading for roads, I could give you an instance of the Swinburn Homestead Block. The sections fronting the main road within a mile of the railway-station were not loaded, but the sections on the back road three miles away were. The main-road sections are valued at £1 per acre and the back sections at £1 2s. 6d. per acre. The quality of the land is quite similar. That has been my experience of loading.

60. *Mr. McCutchan.*] Were the sections valued at the same time?—Oh, yes. They were put on the market at the one time. The land was taken up by a homestead association, and the most inconvenient sections had the highest value put on them. There is another matter I would like to bring before the Commission. When the runs are resumed in this district it is very unfair that we should not have the Government grants for roading. I was Chairman of the County Council when Highfield was resumed. I think we got a few hundred pounds for many miles of roading, although I applied for a grant for roading when the run was being surveyed. When Patearoa was being surveyed I think we got a few hundred pounds for I do not know how many miles of roads—I should think there were perhaps twenty or thirty miles. This bears very unfairly on the ratepayers of the county. The grants made are totally inadequate.

61. *The Chairman.*] Of course, the rents of these resumed runs do not come to very much?—They amount to about £100 per annum. We get the "thirds" and "fourths," and we have anticipated them at the expense of the present ratepayers of the county. We work on an overdraft. There is another matter. I think when a run is resumed it would only be fair to the pastoral tenant that he should have the option of taking up a small grazing-run adjoining his homestead, or as near it as possible, without competition.

62. Would you say subject to the approval of the Land Board?—Certainly. Presumably he is as good a tenant as any other man. I also wish to say that many leaseholds—small grazing-runs and lease-in-perpetuity holdings—in these plains are very heavily improved. They are improved far above the unimproved value. I may say that one of the small grazing-runs on my holding is improved to double the unimproved value. There is another point, and it is this: I think that a Civil servant should be allowed to take up land and be exempt from residence so long as he is in the public employ. It is very hard that a Civil servant should have to take up land with residence conditions if he wishes to go on the land, and sacrifice his billet. There is no reason why he should not for five or ten years retain his billet and make provision against his retirement. There is only one more point, and it is in regard to grouping the sections under the Land for Settlements Act. I will take the case of a place like Greenfield. I have not noticed particularly the number of sections grouped, but probably four, or five, or six sections are grouped together, and if a man applies for one of these he must take what he gets. If an applicant wishes a farm in that group he must put in his application, and he must take whichever section in that group falls to him. Well, that certainly stops applications, because I might wish one section and no other. There is another point. When a run is opened up I think it is unfair that the applicant should not be allowed to apply for the lot of it if he wishes any section on the block, and after he has drawn a section then he is ineligible for any others. Under present circumstances you can only apply for one area that does not exceed the total area you can hold. Why should a man not have a chance to apply for the whole run.

63. *Mr. McCutchan.*] With reference to the question of loading, do the County Council or the Government spend the money?—The County Council have spent it in the shape of special grants.

64. You think it is unfair that there are not sufficient grants for roads when the land is sold from the runs?—Very unfair to the county.

65. But it strikes a North Island member, considering the wonderful facilities you have here in the shape of the railway and admirable roads, so far as we have seen them, that it would be less selfish if the County Council would use the machinery of the Loans to Local Bodies Act and borrow the money to make these roads?—In regard to the roads, I may say that the roads I refer to are in rough country. They are not like the roads in the plains, that are natural roads, and only require cutting and forming. As to the Loans to Local Bodies Act, I rather object to borrowing in any shape or form. I know that the North Island people have taken tremendous burdens on themselves in order to make roads.

66. In this district the settlers practically get the land at what the land costs the Government, and in the North Island the Government get a substantial profit out of the land and still make no roads?—That is very unfair.

67. *Mr. Johnston.*] Do the large runholders reside on their properties here?—Up till recently they have.

68. Constantly?—No; there is no compulsory residence clause in a pastoral license.

69. *Mr. Forbes.*] Is there such a thing as the aggregation of large estates going on in this neighbourhood?—It is impossible.

70. In regard to the ballot, you say you would have the estate thrown open and let a man go in for any section on the place: do you agree to the condition that he should be examined as to his financial position?—Yes. I do not think that is out of the way in regard to the land-for-settlements policy. I think that is in the man's own interest.

71. You think if a man had sufficient money to qualify for the largest and most expensive section in the block he should have the right to draw for it?—Quite so.

72. Supposing £1,000 is needed to work any section on an estate, you would not allow a man with £500 to have the full run of the place?—Certainly not. I would only allow him to draw up to what his financial position would enable him to work.

ROBERT WHITTON GLENDINING examined.

73. *The Chairman.*] What are you, Mr. Glendining?—The holder of a small grazing-run. I am chairman of the Maniototo branch of the Farmers' Union.

74. How much land do you hold under this lease?—3,100 acres, and the rent is £106 per annum, or 8½d. per acre. I have held it for twenty-one years.

75. Do you find the tenure and conditions satisfactory?—Yes, quite satisfactory.

76. What point do you wish to bring specially before the Commission?—I am here to answer questions.

77. What is your opinion on the constitution of Land Boards?—I think the Land Board does good work at present. If it was to be improved on I would suggest that one or two members might be added to it, and that they be elected by the Crown tenants. There might be five nominated members and two others elected by the Crown tenants. I would cut the province into blocks, and have a member living in each of these blocks. I would also like the Government to pay some attention to the suggestions made by the Farmers' Union and other bodies as to new members who are appointed. We suggested one or two names lately, but got not even a reply from the Government.

78. What is your opinion regarding the tenures under which land is held?—Personally, I am in favour of the leasehold. I do not wish to own an acre of Government land. At the same time I think that my neighbour, if he wants the freehold, ought to be allowed to change the tenure and acquire the freehold.

79. You think the freehold should be optional?—Yes, especially of small holdings—lease in perpetuity and other holdings.

80. Have you tried grassing on your property?—I have 500 acres of cultivation, and some of it is laid down in grass. It was profitable to me to do that. My cultivation is 1,000 ft. above sea-level.

81. Have you tried surface-sowing?—To a small extent only. It is only profitable in gullies and low-lying grounds. It is throwing seed away to try it on the hilltops.

82. *Mr. McCardle.*] You have had general experience in this country in the matter of settlement, and so on?—I have lived in the country for twenty-three years with my eyes open.

83. Are the large runs capable of being divided profitably for occupation?—As far as I know, round here they are.

84. Do you know anything of the operations of the Advances to Settlers Board?—I have had no experience of the Board.

85. Have you had any experience in running country requiring a large expenditure before any return could be got from the land?—No.

86. Do you think that in such a case it would be advisable for the Government to make larger advances than one-half of a tenant's improvements?—I have had no experience.

87. You know of no drawbacks to the occupation of a lease-in-perpetuity holding?—Yes. I have a suggestion that I would like to make in that matter. Mr. Logan spoke of the examination of a man's financial position. I would also examine him about his knowledge of farming and pastoral work.

88. You consider that experience is as desirable as capital?—Yes. I would have a Board of agriculturists to draw up a hundred questions, and members of the Land Board could put half a dozen questions to each applicant. If he had no knowledge of the subject he should not be allowed to put in an application. A man will only lose his money if he knows nothing about farming.

89. Should the residential regulations be altered to some extent in this district?—I think the Board should have more discretionary power in that matter.

90. *Mr. McCutchan.*] Do you approve of the system of loading for roads?—No; it is very unfair. A neighbour was speaking to me on the matter only yesterday. He said that his section was loaded to the extent of 4s., which made his payment £1 4s., whereas some of his neighbours had only 9d. put on them, though they have better sections than he has and are nearer the railway-station.

91. Has the loading been adequate for making the roads in this district?—I could not say.

92. *Mr. Hall.*] You think that the tenant should have the right of converting his leasehold into freehold at option?—Yes.

93. Would you make that apply to improved estates bought by the Government for close settlement under the Land for Settlements Act?—After a man had resided for ten years or so he might be allowed to purchase.

94. Would not that result in the aggregation of estates again?—The Government could buy them up again.

95. *Mr. Paul.*] It has been represented to us that the Land Board could be abolished and the Commissioner and competent Rangers do all the work?—I do not think that would work.

96. What is your reason for preferring the leasehold personally?—For financial reasons.

97. Do you think there are many others in your position?—Yes. You can always sell a freehold here.

98. The land here is inferior compared with other parts, is it not?—Yes.

99. Is it fair that the best parts of the colony should be made freehold and the inferior land held under lease?—I would give the option of making any of it freehold if they wanted it.

100. You do not regard the fact that your neighbour holds a freehold as an injustice to yourself?—Not in the least. Of course, I would limit his quantity.

101. *Mr. Forbes.*] You would examine applicants for land as to their agricultural knowledge: by that means would you not shut the door to all residents in the towns?—I would make a man learn his business before he got land.

102. And only farmers could apply?—Yes, and it would be a good thing.

103. One man told us the other day that the best farmer in his district was a barber. For the purpose of answering questions a man might be coached?—Well, he has the knowledge then, and has passed his examination, no matter how he got his knowledge.

104. Might not some farmers find it hard to answer some questions about farming?—Not in an oral examination. If it was a written examination it might be harder.

105. How many sheep do you carry?—I shore two thousand sheep.

106. Is the opinion of your Farmers' Union as to the freehold the opinion you have expressed?—As far as I know, it is. The delegates who have come to-day have practically got a free hand, and the opinion I have expressed is my individual opinion.

107. How many members are there in the Farmers' Union here?—About a hundred.

108. *Mr. Matheson.*] Do you think it would be any expense to the State to buy estates a second time, provided they got from the persons obtaining the land all the money they had expended?—No; the Government would look after that.

109. *Mr. Paul.*] In regard to the limitation of areas, what are your views?—I would allow 640 acres of lease-in-perpetuity land.

110. But would you limit the freehold?—Yes, to the same extent as at present.

#### JAMES HOWELL examined.

111. *The Chairman.*] What are you, Mr. Howell?—A farmer. I hold close on 2,000 acres on lease in perpetuity. I have had a portion for twenty-five years and the balance for seven or eight years. I pay an average rental of 10½d. per acre. It is a mixed farm, and I work it in connection with my brother's land. My brother holds 2,000 acres and my wife 1,000 acres.

112. What stock do you carry on the 5,000 acres?—It is all worked as one, and we carry three thousand sheep and a few cattle and horses. We do not carry on any dairying.

113. Have you cultivated any portion of the land?—Yes. We have ploughed about 1,500 acres. Close on 1,000 acres is laid down in grass, and the balance is under turnips and oats.

114. Have you found the cultivation fairly profitable?—In the last few years it has been profitable.

115. Do you feel quite comfortable under your tenure?—Yes. An area of 306 acres was originally taken up under agricultural lease and changed to the lease in perpetuity.

116. Have you any desire to obtain the freehold?—Yes, I would like to have it.

117. Would you be willing to pay something extra in order to obtain it?—Yes; I would agree to divide the increased value with the Government. I think that would be fair.

118. In order to have the opportunity of acquiring the freehold would you be willing to have your land and improvements submitted to public auction, valuation being allowed to you for improvements?—Certainly not. I would not like to be put out of my own. I would like the right to purchase the lease, taking half of the unearned increment.

119. What is your available clip of wool per sheep?—This season it was close on 8 lb. It was exceptionally good this year.

120. Have you a large death-rate in stock?—Yes. Taking one year with another, and leaving out the snow-storm years, it is 10 or 12 per cent. In extraordinary years, such as 1893 when there was a heavy snow-storm, it is much heavier.

121. Did you get relief from the Government?—We got assistance from the Government by a deduction of the railway rates to bring sheep and feed up.

122. *Mr. McCardle.*] What was the value of your land when you took it up?—The average was £1 per acre.

123. What is it worth now?—About £2 per acre at the present time, but if bad seasons come again the value will go down.

124. If you were granted the right of purchase, on what conditions would you like to purchase?—There are three systems I believe in—the deferred payment, the lease in perpetuity, and the small grazing-run—and I think the whole of them ought to carry a purchasing clause with them. Even small grazing-runs up to 2,000 acres ought to have a purchasing clause.

125. But on what condition would you consider it fair to have the right of purchase?—I would like to have the right of purchase straight out, if I was able to do it. Some might change their holding to a deferred payment and pay off by degrees, and I would allow that after the conditions had been complied with.

126. The property would have to be valued then?—It carries its value already.

127. You say that you would share the unearned increment with the Government?—Yes.

128. What is your real desire for a freehold?—I have had twenty-five years' experience on leasehold land, and during the whole of that time I have had a desire to sell the leasehold and buy a freehold. We have never had an opportunity, however, of buying the freehold of the ground, and the consequence has been that I have never settled on the land as I would have done if I had been a freeholder.

129. What trouble have you with your present tenure that leads you to desire the right of purchase to get rid of past troubles?—I want the freedom. The cause of that desire is this: there are times when a man is pestered and troubled by the Land Board and the Ranger and other people, and he is in constant fear of them. If he has a freehold he has not that fear at all.

130. It is proposed now by Mr. Seddon to remove the objections you mention. So soon as a leaseholder has completed his improvements the control of the Land Board and the Rangers is to be removed. Would that satisfy you with your leasehold?—No, it would not. I would still stick to the freehold. A man may make a considerable amount of money out of his leasehold, and if so he would be compelled to make use of it in a certain direction, which would be different perhaps to that in which his own feelings go. If he is a real farmer he would like to improve his holding, and he would naturally like to put that money into his freehold and not into a leasehold; but if he was making money on a leasehold his inclination would be to gamble with it in dredging or horse-racing if he could not put it into a freehold.

131. Do you know anything about the Advances to Settlers Department?—I have never had occasion to borrow from the Government.

132. *Mr. McCutchan.*] Why do you say you would halve the unearned increment? Is there not a necessity for inquiry as to what should go to the State and what to yourself?—Yes, I think so; but I think the State ought to have a portion and the landholder a portion. When I took up land here first there were no railways and the roads were bad, and now we have railways, roads, telegraph, and telephones, and that has helped to increase the value of the land.

133. I would like to know your reason for dividing the unearned increment equally between yourself and the State. Would that be a fair share?—It is only an opinion.

134. Do you think that the amount should be divided equitably?—Yes, I think an equitable division should be made. I am quite agreeable to correct my evidence to that extent.

135. *Mr. Hall.*] You think that lessees of small grazing-runs should have the right of purchase?—Yes.

136. Does that apply to existing leases?—Yes.

137. Would it not follow that the good lands would be taken up under that option and the inferior holdings thrown back on the hands of the Government?—I do not see that that would follow.

138. *Mr. Paul.*] Do you represent any branch of the Farmers' Union?—No, I do not represent any particular branch. I was selected with others from the local branch to give evidence here to-day.

139. I suppose you wish to acquire the freehold because it pays best?—Not exactly. I believe in the leasehold as much as in the freehold, but I think a man should have the right to get the freehold. Leasehold is the best system we could have for the man with small means to make a start. If it had not been for the leasehold I do not believe I would have been a farmer to-day myself; but after a man has been for fifteen or twenty years on the land, the best speculation he can make is to put his money into the freehold of the land.

140. You propose to acquire the freehold if the Government will give you the option?—Yes.

141. You propose also to share with the Government the unearned increment up to the date of purchase?—Yes.

142. What would you do with the future unearned increment?—I suppose that would follow in the same direction. If a man takes up a section under lease and settles on it for ten years, and during that time the value increases through many causes, the Government have a right to a certain amount of it.

143. But what becomes of the unearned increment after you have purchased the freehold?—We pay that in the way of taxes on improvements on our land. If we put improvements on our land the Government would tax us, and we are prepared to pay our taxes.

144. You will get benefits for that taxation?—But it was our own money that put the improvements there, and we have a right to the benefits.

145. Do you say that you could not sell a freehold but you could sell a leasehold?—That is so. It is more difficult to sell a freehold than a leasehold, for this reason: there are plenty of people with small means going in for land, who are ready to take up a leasehold because they have not the money to buy a freehold. Therefore the freehold keeps you a fixture on the land.

146. Do you approve of the Government selling land for cash?—No; it is a bad system. I think this too: a man who acquires land through the Government and who wants to sell it should get a purchaser who was approved of by the Land Board in the usual way, and that purchaser should be in a position to declare that he did not own more than the prescribed area.

147. You would limit the freehold?—Yes; 2,000 acres of second-class land or 640 acres of first-class land.

148. You spoke somewhat disparagingly of Land Boards. Do you approve of the nominative system?—Yes. I think, however, that in appointing members they should be appointed from certain districts. The Otago district should be cut up similar to the way in which County Council districts are cut up into ridings, and members should be sent from each place. These members would understand the districts they represented. At the present time only one member of the Otago Land Board thoroughly understands our district, and that is Mr. Barron himself, who lived here for a long time. The other members live on the coast, where the land is superior and there is a greater rainfall, and it is unfair that they should deal with the lands of Central Otago. As to the increase of members, I do not know that there is any necessity for it. I think the present Board would answer all purposes, especially if there was a member going out of the district who understood the circumstances of each case.

149. You think that one drawback is that tenants are pestered by the Land Boards. Were you so annoyed?—Yes. When I took up land first it was a small area of 320 acres of second-class land. Ten years afterwards I took up another section of 600 acres. I had built a home-stead on the 320 acres, and when I took the second section the Land Board asked me to show reason why I did not live on it. If a man does not reside on a section he is compelled to make other improvements. It is a matter that makes one uneasy.

150. You think that residence on one holding should cover the whole?—Yes. I have thousands of pounds of improvements on one section, and they compel me to put improvements on another section that does not want improving.

151. *Mr. Johnston.*] Why did you take up land under perpetual lease?—Because I could not get the freehold.

152. Would you have taken the freehold if you could have got it?—I was not in a position to take it, and that is one reason why I did not take it up. When I took up land at first I was a miner and did not know much about the land.

153. *Mr. Forbes.*] Do you believe in examining a man as to his agricultural knowledge before he can take up land?—I do not agree with that proposal. I think the best farmers in this district are miners.

154. *Mr. Matheson.*] Looking at the country-side, do you really think there is any increment that has not been well earned by the farmers?—Yes.

155. It has been caused by railways, and so on?—Yes.

156. Has it ever struck you that the railways only come as a result of the farmer's industry to carry his products out for the benefit of the colony, and that he pays for those railways through the Customs just as others do?—Yes, that is true. Everybody pays for the railways.

157. Then, why should he return to the State some part of the increment that has gathered round him any more than the tradesman in the town who has benefited by the other end of the railway?—The land belongs to the State and the man is only a leaseholder of it. The man in town is working on his freehold property and gets his improvements out of his freehold. Once the land became my property I would not share with the Government.

158. You would then be entitled to the increment?—Yes, most assuredly.

#### CHARLES JAMES INDER examined.

159. *The Chairman.*] What are you?—A farmer, and have about 2,000 acres—350 acres freehold and 1,400 leasehold, the balance under yearly license. I have been farming on my own account for eleven years. My farm is about five miles from Waipiata. I think the tenures are all right, but I also think if a man wishes it he ought to have the option of converting the leasehold into freehold—that is, in limited areas. My idea is that if you want to have the best use made of the land and make good farmers you must give men something to tie them to the land.

160. Do you not think the lease in perpetuity ties a man to the land for a long enough time?—Yes. We would not want anything better if they do not interfere with the present lease.

161. Have you any fear on that score—the Government and you have entered into a contract, and if they did want to take the land over no doubt you would be amply compensated?—I think the Crown ought to stick to its bargain. There has been a lot of trouble created here through compelling people to reside on their leasehold sections when they already reside on other sections in the district. As long as the Board is satisfied that a man is a *bonâ fide* settler and is already residing on one section, I think that ought to be taken into consideration. I would be far more in favour of being more stringent in connection with the improvement conditions.

162. Do you approve of the present constitution of the Land Boards?—Yes, but I think the members ought to be more representative. Otago is a very large district. I agree with the other two witnesses in regard to that question.

163. *Mr. McCardle.*] You have heard the evidence of the previous witnesses: do you generally approve of the views expressed by them?—I have heard nothing that I take serious objection to.

164. *Mr. Hall.*] Do you consider that the lease in perpetuity has promoted settlement?—Yes. It has encouraged people with small means to go on the land.

165. And it is good for the people and good for the State?—Yes.

166. If that is so would it not be advisable to further continue it?—There is always a feeling that people wish to make the land their own. The families are growing up, and when the sons see that the father has no security of tenure they go away and leave them.

167. *Mr. Paul.*] Do you think it would be beneficial to the settlers and the State to subdivide Puketoi?—Yes.

168. And as to the three runs—Ross and Glendining's?—That is quite a different class of country. I am satisfied there is far too much high country for the low country at Blackstone Hill.

169. But to take Blackstone Hill away from the other two would spoil the other two?—I do not think you could get any one to take them up at all.

170. *Mr. McLennan.*] You said you believed when a bargain is made between the Crown and a tenant each should stick to it?—Yes.

171. That means the tenant would not get the option of the freehold?—That was his own fault.

172. *Mr. Johnston.*] Would irrigation improve the pastoral prospects of Maniototo?—Undoubtedly; but there is a vast amount of country that is not suitable for irrigation owing to its roughness.

173. There is a good deal of the sludge-water going to waste now that could be used to advantage?—I think so, but there is a lot of trouble and labour attached to it.

174. Does the leaseholder treat his land as well as the freeholder, or does the leaseholder treat his land to advantage?—In some cases they do and in others they do not. It looks in some cases as if they took what they could out of the land, but that does not apply to all leases.

175. Who controls that?—The Land Board.

176. They have a Ranger?—Yes, but I have never heard of him laying a complaint against any one in respect to the farming of the land.

177. How high would you winter sheep?—I know of cases where sheep have been wintered at between 3,000 ft. and 4,000 ft. with safety, but, as a rule, I do not think they are taken more than 2,000 ft., and there is terrible risk above that.

178. How is the co-operative run getting on generally?—Not very successfully.

179. Suppose it were in the hands of one individual, could it be worked to advantage?—I think so if the man had low country. It is useless without low country.

180. The winters are more severe now than they were some years back?—The winters vary; 1895, 1899, and 1903 were very severe winters.

181. You say that Blackstone Hill—Ross and Glendining's land—could not be cut up to advantage on account of the scarcity of low country?—Yes.

182. If the high land was put in the market first, would the settlers in the low country who have not got high country take it up?—I think they would on certain conditions, but I do not think they would under the present conditions.

183. It simply amounts to this: that if the rent was less and the tenure longer it would be taken up?—Speaking for ourselves, we are quite satisfied with the length of the tenure and also with the rent, but we want more compensation at the end of the lease.

184. *Mr. Forbes.*] The Government made some concessions to the farmers during the bad winters in the way of cheap railway rates on produce, &c.: do you believe the Government should do that sort of thing?—No, I do not.

185. *The Chairman.*] Have you ever come into conflict with the miners in respect to sludge-water?—No.

186. *Mr. Johnston.*] To your knowledge, has the freehold land interfered with any mining operations?—I cannot say that it has.

ROBERT SCOTT examined.

187. *The Chairman.*] What are you?—I am a farmer, and have altogether 6,400 acres—600 acres freehold, 4,000 private leases, and 1,900 acres Naseby Borough Council endowment.

188. What is your opinion of the lease in perpetuity—do you think it tends to promote settlement?—Yes. The lease in perpetuity is a good tenure, and, as far as my observations go, it is promoting settlement in this part of the country. For my own part, in taking up country I would prefer to take it up with the right of purchase.

189. You think the lease in perpetuity, or any lease, is very good for a start, but you would like to have the option of the freehold in view?—Yes.

190. You have had no communication with the Land Board?—No, only in an official capacity of this branch of the Farmers' Union. I would like to say something with respect to that. I had information as to Mr. Kirkpatrick resigning from the Land Board, and under instructions from my branch I wired to the Minister asking that a successor—a resident of Central Otago—be appointed to the Board. We received no reply to that wire, and later on, when Mr. Henry Clarke resigned, I was again instructed by my branch to write to the Minister asking that a resident of Central Otago be appointed, and up to a few days ago I had received no reply. In the meantime fresh appointments had been made. A few days ago I received a reply stating that my letter had been addressed to Wedderburn and had come to the Dead-letter Office. I indorse what has been said by several witnesses to-day. I think it would be in the interests of all Government settlers that a representative from Central Otago should be on the Land Board. Although the new members of the Board may be excellent men, they are not acquainted with the climatic and other conditions of this district.

191. *Mr. Hall.*] You say the Government should give the rights to the tenants to secure the freehold, and that you would limit the area?—Yes, most undoubtedly.

192. What would be your limit?—Money-value limit, not an acreage limit.

193. *Mr. Paul.*] Have you the option of purchase in your private lease?—Yes.

194. Have you the option in the Naseby endowment?—No.

195. Do you think you should have it in the case of the endowment?—No.

196. Do you not think that the security in landed property is better than the security of lending money out at interest?—Yes. The land is always there.

197. Therefore it is in the interests of the Borough Council that this endowment should be preserved?—Yes.

198. Is it not in the interests of the State that it should hold the land for the people and only have a leasehold tenure? Not altogether. The farmers are part of the State, and therefore, I take it, they should be allowed to acquire a certain freehold area.

199. *Mr. McLennan.*] Those who took up land under lease in perpetuity entered into an agreement with the Government to take up the land on certain terms?—Yes.



200. Would it be right now to break that agreement between them and the Government?—I would not expect it from a private individual, but I cannot see why it should be done by the State.

201. *Mr. McCardle.*] Were you here in the days of depression, when it was absolutely necessary to reduce rents in order to enable the tenants to remain on the land?—Yes.

202. That was a breach of contract?—Yes. Amendments may be necessary sometimes, but still it would not be right to break a contract to the detriment of the tenant.

ARTHUR WILLIAM ROBERTS examined.

203. *The Chairman.*] What are you?—I am a nurseryman in charge of the Government nursery, Ranfurly, and have been in that position since 1896. We have about 50 acres altogether, and about 11 acres have been broken up and planted. We are growing pines of various species, larch, birch, rowan, and laburnum. We only distribute these trees to be planted on Government land. We do not sell trees to the settlers. We find a difficulty in growing trees owing to the dry weather, hot winds, and frosts. I have chosen the varieties that I think will grow, and they are doing fairly well. The following figures show the rainfall for the years mentioned: [See Appendix].

204. *Mr. McCardle.*] Do you not think that if application was made to the Government the settlers could obtain a small number of rowan and other trees?—The only drawback would be the objection of private nurserymen.

205. *Mr. McCutchan.*] You have sown some Italian ryegrass?—Yes.

206. Have you sown cow-grass?—No. There may be some specimens amongst the clover, but that is the seedsmen's fault.

207. *Mr. Hall.*] Are there any trees that can be successfully grown on these plains that would be valuable as timber trees?—I am not supposed to grow anything else but timber trees.

208. *Mr. McLennan.*] Was it from your nursery that the trees in the plantation at Naseby were taken?—Yes.

209. How did they do?—Very well on the whole.

210. What area of land is planted there?—About 131 acres.

211. Is there Crown land in other parts of the district where plantations could be established?—Yes; there are a good many reserves.

212. Do you not think it would be advisable to encourage the farmers to plant trees by giving them the trees for nothing?—Yes, if they would take care of them.

ROBERT MCSKIMMING examined.

213. *The Chairman.*] What are you?—I am a farmer, and farm between 400 and 500 acres. I hold land under lease in perpetuity, and have had some of it for ten years. My rent is about 10d. or 1s. an acre. I engage in mixed farming. I am quite satisfied with the tenure.

214. What are your views about the freehold and leasehold?—In a sense I have been very grateful to get a lease in perpetuity, but, like a good many other people, I would like to acquire a piece of freehold property. I think the freehold should be limited. What I came principally to speak about was the recent subdivision of Patearoa Station. So far it has been a success. The principal point I wish to bring before you is the discretionary power granted to the Land Board, subject to the approval of the Minister. The position is this: About 1,200 acres was cut off for landless people, principally gold-miners. They were allowed the privilege of acquiring sections of 100 or 200 acres. It has been really a success, because the land has been all taken up. These people would not have had room to run any cattle there, but under this arrangement they are content and happy. I think that discretionary power has been beneficial. There is another matter I wish to draw attention to. I got a small section of 230 acres under lease in perpetuity, but when the section of land opposite me went to the ballot I was debarred from competing because I had not held the lease-in-perpetuity section for three years, whereas other people in the neighbourhood who had 1,000 acres and whose lease had run out got the privilege of taking up extra land. I have a family growing up and I wanted a little more land, but was not allowed to compete. I think discretionary power should be given to the Land Board in respect to that matter.

ALURED GEORGE MATTHIAS examined.

215. *The Chairman.*] What are you?—I am a sheep-farmer, and have been here thirty-nine years. I hold 1,100 acres freehold and 3,500 acres pastoral lease, and also a share in 5,600 acres high land on the top of Rock and Pillar, also under pastoral lease. I pay 6d. an acre for the 3,500 acres and 3d. an acre for the top land. I shear three thousand sheep a year. With respect to Blackstone Hill Run, I may say that I think that is capable of being cut up with advantage.

216. As to your land at the Rock and Pillar, do you keep sheep up there in the winter?—We never put them up there before December, and this year not till January, and we bring them down in May, so that we have practically only four months.

217. You have low country or you could not hold that high country?—Yes.

218. *Mr. Johnston.*] How high up can you winter sheep with safety?—We winter them up to between 2,600 ft. to 3,000 ft.—that is the height of our snow-fence.

219. Are there any other runs that could be cut up with advantage to settlement?—I suppose Puketoi could.

220. Do you know why it was not cut up?—I have my private opinion; but I do not know that I should give it here.

221. Would Lynburn cut up?—Part of it.

MIDDLEMARCH, MONDAY, 20TH MARCH, 1905.

ERIC HANSON examined.

1. *The Chairman.*] What are you?—I am a farmer. I hold 100 acres of freehold two miles from Middlemarch. I have been over thirty years in the district, and farming for twenty-six years. I go in principally for dairying. There is a factory here.

2. Is there any particular matter you wish to bring before the Commission?—I would like to have a bit more land. I have three sons coming on, and my place is too small, and all the land in the vicinity is held by big holders. Murray, Roberts, and Co. are the principal proprietors. Although I have freehold I do not believe in the freehold system, because it only gives the big holders an opportunity to buy you out, and then the land is held in one big block.

3. Has there been any buying-up of little holdings by these large owners?—I think Mr. Allan has sold some land, and some of the employees on Messrs. Murray-Roberts's station have bought sections, although they are working on the station. I think if a man takes up land he should work it himself. Mr. Allan's estate was about 300 acres.

4. Is there any selling out by one farmer to the other up the plains?—They are nearly all leaseholds up here, but their holdings are too small, and many of them have had to clear out because they have families growing up and cannot get land. The sections about here range from 4 to 20 acres, and as residence conditions compel the holders to reside on them they have had to leave the district.

5. *Mr. McCordle.*] There is a lot of fine farming country along the railway-line: who does it belong to?—Murray, Roberts, and Co.

6. How much have they in that particular locality?—I do not know the exact amount. They have some leased land as well.

7. Is there any block of land here that the settlers wish the Government to buy for close settlement?—I have never heard of it.

8. Is there a number of people here desirous of getting land to settle on?—Yes; they have had to leave the district for want of land.

9. Can you give the Commission any idea where land could be obtained for these settlers?—There is a run up at the Six-miles. I do not know how much land there is in it.

10. You do not know of any land in the district which is available if the Government desired to cut land up?—There are some freeholds.

11. Are these freeholds large or small?—Both.

12. Has anybody bought up these freeholds?—Yes—Murray-Roberts.

13. How many acres do they hold?—I think they have at least 10,000 acres on the flat here. I think they are holding too much.

14. If that country were bought up by the Crown would it be suitable for small dairy farms, and so on?—Yes.

15. What is the value of the land per acre?—Murray-Roberts put £14 per acre on it. Some of it has been bought at that price. There is no chance for a poor man to get 100 acres at that price.

16. If the State bought up the land and offered it at lease could the settlers afford to pay 14s. per acre to occupy the land as dairy farms?—I do not know.

17. I understand the Government made an offer to Messrs. Murray-Roberts: do you know what price they offered per acre?—I have no idea.

WILLIAM DARCY MASON examined.

18. *The Chairman.*] What are you?—I am a farmer. I hold 115 acres of freehold and 7 acres of leasehold. It is fat land on the Taieri River, and I use it for dairying solely. I have been farming here since 1866, and I live within a mile of the town. I carry about thirty-two cows at the present time, twenty-nine of them being in milk. I supply the dairy factory. Approximately, there are about thirty-six suppliers, and they average twenty-five cows each.

19. You heard from the former witness that there is a considerable demand for land here: is that correct?—Yes, there is a great demand for it here. The people are paying really a sweating price for the land from the High School Board at the present time. The land was set apart for village settlements, and instead of being devoted to the purpose for which it was intended it was found more expedient, I suppose, to cut it up in its present form and let it out in small sections of 4 and 5 acres. But they were too small.

20. Is there not a large education reserve of about 40,000 acres for the High School?—Yes. It extends up the plains for seven miles. I do not know what the area is.

21. Who administers it?—There is a mixed administration here by the Land Board and High School Board. The large reserves have passed into the hands of the Land Board some few years ago, but the land surrounding the township is still administered by the High School Board. All the rural sections of land under lease to tenants is on perpetual lease for thirty years, with the right of renewal every twenty-one years, with revaluation as well. There was a right of purchase from the seventh to eleventh year, but the High School Board objected to it, and they managed to put it out of the minds of the tenants until they got over the eleventh year.

22. Evidently you cannot get any more land up the plains, therefore the only land available round here for dairy farms is that belonging to Messrs. Murray, Roberts, and Co.?—Yes. Of course, there is pastoral land.

23. Can you say approximately the area of this flat dairy land belonging to them?—It is about three miles and a half by two to three miles. They have about 4,000 acres of dairy land. There is land adjoining quite fitted for dairying, but not of first-class quality.

24. The last witness said they were asking £14 per acre for it: is that correct?—Yes. The price asked of the Government for a block of about 1,400 acres was £9 per acre for the poor

45. Have you any idea of the carrying-capacity of this run?—A fair idea of the carrying-capacity of the grazing-land in this district in a dry season is that it would be well stocked with two sheep to 5 acres, but in a good season it would stand stocking to the extent of two sheep to 3 acres. The average capacity would be a sheep to 2 acres.

46. You think that country would be taken up in small grazing-runs if it were thrown open by the Government?—I think it would be as readily taken up by the public.

47. *The Chairman.*] Supposing when the lease runs out the Government take Murray-Roberts's high country and divide it, would there be sufficient low country left to work the high country in the winter?—The high country here is not in the same position as the high country in Canterbury. This is comparatively low country compared with that.

48. Is not some of the high country on the Rock and Pillar under snow in winter?—Yes, but the settlers could use it as advantageously as the present holder by utilising it as summer country.

49. Supposing it was cut up, what would be the size to suit the settlers on the plains, having regard to the fact that the stock would have to be brought down in the winter and taken up in the summer?—The people who hold land on the plains here—say, 300 acres—could quite well do with 1,000 to 1,500 acres of rough land.

50. I suppose when Murray-Roberts offered the 1,400 acres they reserved the balance to work their high country?—The 1,400 acres were really the extremities of the estate, and they would leave the estate then in a compact block.

51. Then, his high country lies immediately behind his flat country?—Yes.

52. *Mr. McCardle.*] Have you thought about the question as to what area one man should hold in fee-simple?—I think that where land is scarce and population is becoming large it is necessary to restrict area in the interest of the settlers and the country.

53. You are aware, I suppose, that the quantity of land available altogether in the colony is not very large, and do you not think that principle ought to apply generally throughout the colony?—Undoubtedly. I think the area should be restricted to what would keep a family in what you might call real comfort. A man would then have no fear of the future if he chose to exert himself.

54. *Mr. McCutchan.*] Has your district had much to do with the Advances to Settlers Department?—I cannot say.

55. Is the Land Board control satisfactory?—I think it is fairly satisfactory.

56. Do you believe in the system of nomination by the Government?—I do not know that you could get a better system. I think that a system of election to the Land Board would be very cumbersome, and would simply amount to the same thing.

57. Is there not some dissatisfaction owing to the fact that under the system of nomination there is not an equal distribution of representation: for instance, in Central Otago we heard complaints that they were not being properly represented?—Well, a man selected from Central Otago would be better acquainted with Central Otago wants and the peculiar features of settlement in that locality. I should certainly say there is a good deal in that, because the nominees from the low country about Oamaru are not in a position to judge fairly as to the requirements of the central district.

58. Would you limit the power of nomination by the Government in this way: that the land district should be divided into ridings, and the Government have power to nominate a member from within each riding?—I certainly think Central Otago should have representation on the Board, and that the lower district about Clutha should also have a representative. This is necessary, because the conditions are so utterly dissimilar. It is necessary that the people should have their complaints properly placed before the Board. I think the same principle should also apply to the Rangers.

59. You said the High School tenants are paying a sweating rent?—Yes, in the immediate vicinity of the township. Apparently the object of the people who administer the finance and lands of the Board is to secure as much revenue as possible to carry on the school.

60. Are not these areas very small and used more as homes?—The excessive rentals apply to the sections put up to auction around the township.

61. Is the present position due to the land being put up to auction or to an excessive upset?—The land was put up at a fair upset, but a large number of people desired sections, and the supply was limited.

62. Do you think the people should be protected from themselves?—If a man must really have a place to live on and there are half a dozen others in the same position, they compete for the land the same as they would for anything else.

63. Is your local taxation high?—No: it is about 1½d. in the pound on the capital value.

64. That seems fairly high?—It is not very high. I pay about £3 a year on my place.

65. Is there any loading for roads in this district?—There is no load cut up under the Land for Settlements Act here.

66. *Mr. Paul.*] It was represented to us in two or three places that the Boards should be dispensed with and the work done by the Commissioners, aided by competent Rangers: do you think that is feasible and workable?—The same principle applies as to all elected bodies—the greater number of members you have in the Board, I should assume, the less chance there is of private influence being used for the benefit of any particular person. It is a more difficult task to influence six or seven people than one. I do not think that is a practical suggestion.

67. You spoke of men running these leaseholds up at auction: you do not mean to infer that is an evil connected with the leasehold?—I certainly think it is an evil. I think that a value should be put on all lands that are to be leased, and if there is more than one application the only fair way is to put the section up to ballot.

68. Supposing it was put up as freehold, would it not be open to the same objection?—No.

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because a person is speculating then on the value put on the land by the work and productive powers of the community. He is speculating on something he does not pay for at all.

69. You have some opinion about the land-tenures of the colony?—I think the land should be the property of the State. A man should only have a right to the land while he uses it.

70. What system do you think is best for the State?—I think that the old perpetual lease, without the right of purchase and with revaluation at fairly decent periods, is certainly the best system for the individual and the State.

71. You think that would be a good system for the farmer?—Certainly.

72. Does good farming follow freehold or leasehold?—Well, if the Commission had half an hour to spare to look round the district I could prove to them that leasehold is better farmed than freehold. The general experience is that the leasehold is farmed better than the freehold. I think the best farm in this district is held under a fourteen-years lease from the High School Board, and under the conditions of his lease that settler forfeits some of his improvements at the end of the year.

73. You do not think it is exactly fair that the tenant should forfeit some of his improvements?—No. I think a reform is needed so that all these improvements should be provided for in his valuation at the end of the term.

74. In short, you would protect the tenant's right up to the full value of his improvements?—Unquestionably. But he should not be allowed to make foolish improvements. For instance, I might take a fancy to build a £400 or £500 house on a 20-acre dairy section, and I do not think I should be allowed to do so. Otherwise it would mean that no one could take up that section again but myself.

75. Would you give the option of the freehold to lease-in-perpetuity holders?—I do not think any practical man under lease in perpetuity would require it. I should certainly be against giving it.

76. Some of them are demanding it?—In this district, prior to the advent of the railway, we had to pay £1 15s. to £2 per ton for the carriage of our grain to Dunedin. At the present time it goes for 9s. to 10s. a ton. Necessarily there is an increased value put on the land by the advent of the railway of at least £1 per acre.

77. Then, I suppose it necessarily follows you would object to the option of purchase of all lands under the Land for Settlements Act?—Certainly. I think it would be folly to borrow money to settle people on the land and then give them an opportunity to do what has occurred here. The land which was originally settled under deferred payment in this district has got into one big estate, and now the people are clamouring for small settlement again. I think all land acquired by the State should be kept in the hands of the State.

78. Is the Otago High School Board land under different administration to the Otago University land?—The University Council administers the University endowments.

79. Can you say which is the best body to control these lands?—The Land Board, unquestionably. It would be better in the interests of settlement that the Land Board should administer all the land under the Land Act.

80. In several places we have heard that some of the labour unions are advocating revaluation of leases, and that this revaluation should have a retrospective effect. I believe you have kept in touch with labour unions to some extent: do you think that is correct?—No; I know it is false. My acquaintance with the labour unions covers a period of thirty-two years, and I know that they insist that the fullest protection should be given to the improvements of the tenants, and they do not ask for revaluation at short periods, but at such long intervals as in the wisdom of the country appears best in the interests of the settlers.

81. It has been pointed out to us that the fact of the Crown tenants accepting a rebate of 10 per cent. on their leases in perpetuity is a violation of their contract?—I presume that any contract is broken if both sides do not observe it.

82. Do you not look on that as interest for prompt payment?—If I have a landlord, and I agree to pay him £1 per acre, and I happen to have an idea of lagging behind in my rent, and he gives me an inducement to pay up on the due date by rebating 5 or 10 per cent. of my rent, I should not say that was a breach of our contract.

83. *Mr. McCardle.*] In speaking of holdings being revalued at periodical periods, I suppose you are referring more particularly to the land you are acquainted with here?—I think it applies with equal justice to any other place.

84. We have hundreds of settlers in the North where the whole country was covered with dense bush, not a tree of which had any value as timber. The settler has to spend some £4 per acre to put it in grass, and before he can bring it into the condition of the land round here it will cost him from £10 to £15 per acre—in fact, he will have to spend his life's labour for thirty years before he can cultivate, and under your proposal of a perpetual lease he is then to be revalued: do you think that is a fair thing?—I cannot see any injustice if the whole of the man's labour is taken into account and he is given full valuation for every improvement made. I say that the valuation should not be struck by the Ranger at the end of the term, when many of the settlers' improvements may not be visible, but after annual visitations to the land, and he should then credit every shilling to the tenant.

85. You think where by individual effort and industry a man has raised the capital value of Crown land from 10s. per acre to £15 and £20 per acre that the Crown is more entitled to retain the freehold of that land than the man who has spent hundreds and thousands in making these improvements?—I do not see that it affects the question at all if the Ranger credits him with the full value of his improvements.

86. If a hundred settlers go into dense bush country, and by their own labour as well as by their improvements they raise the unearned increment of that land, are they not entitled to it?—You have to consider also that at the same time right throughout the State people are construct-

ing roads and railways and harbours to bring these people within reach of the people to whom they are going to sell their produce. These people are also helping to create that unearned increment, and the only claim these settlers have is to share that unearned increment with their fellow-citizens.

87. *The Chairman.*] You think, on principle, that the land should belong to the State?—Although I hold a freehold I think the land should belong to the State.

88. But you recognise there are wide differences according to the circumstances?—Yes, and they should all be taken into consideration.

89. *Mr. McLennan.*] In regard to the rebate, is it not interest at the rate of 10 per cent. on the rent the tenants have to pay in advance?—Yes.

JOHN HAY examined.

90. *The Chairman.*] What are you?—I am a carpenter. I have been here twenty years. I have about 15 acres of High School Board lease, and I own half an acre of freehold. My 15 acres comprise part of the suburban sections here. I have 6 acres on a temporary lease that can be terminated at three months' notice, and I pay 5s. per acre for it. The other 9 acres are held under a fourteen-years lease at 5s. per acre. I use the land for dairying.

91. What do you wish to bring before the Commission?—There is a demand for land for settlement in the district. This is a dairying district, and I believe if land were cut up there would be more settlers here. I do not approve of taking land for settlement, say, five or six miles from the township. There is an area of 600 acres in close proximity belonging to Mr. Kirkland which would cut up very well, and I know a good many people would be thankful to get 5- and 10-acre farms on it.

92. Would they be satisfied with that area? You are a carpenter and work at your business: are you quite content to go on with your business and also farm the 15 acres, or is it your ambition to be a farmer ultimately?—Not in this district. In regard to being satisfied, I would almost prefer to have my land close together. These sections are scattered. I would be content to have less than that area if the sections adjoined each other. Some of the High School Board leases are expiring next year, and I know there is a little bit of anxiety on the part of the settlers who have sections. I think they would prefer to be under the Land Board, with a more secure tenure, or else a lease from the High School Board, giving the same terms as the Land Board lease. I would like to point out the advantage it would be to workers in the country districts and the towns if land could be taken up under a land-right system. A man holding a miner's right in a mining district can go and take up an acre of ground and settle on it as long as he pays his miner's fee every year, and I think after Crown land has been surveyed the workers of the colony should have the same right by paying a land-right fee of 10s. or 15s. per annum to take up an acre of ground. I may say that there are several hundred sections here which have never been taken up, and if the Government took them over from the High School Board and gave the workers an opportunity to take them up under a land-right system the people would be able to settle here.

93. *Mr. McLennan.*] Do you know anything about the large sheep-runs here?—To a certain extent.

94. Do you think they are fit to be subdivided into smaller areas?—I think some of the land at the foot of the mountains could be cut into smaller areas.

95. You know they could not cut up the winter country unless there was so-much summer country with it?—I agree with what Mr. Mason said, that some of the settlers here could use it during the summer and not put stock on it in the winter.

96. Would it be very expensive to fence it if it was cut up into 2,000- or 3,000-acre blocks?—I do not know that it would.

97. *Mr. Paul.*] I suppose your suggestion in regard to land rights is prompted because of the high price of land in proximity to cities?—Not altogether. It is because of the easy facility it would give to working-men to settle on the land. Another thing is, the land would be nationalized and would always belong to the State, and the Crown would receive a perpetual rent from it.

98. Has any aggregation of estates been going on in this district, to your knowledge?—Not to any extent.

MICHAEL MOYNIHAN examined.

99. *The Chairman.*] What are you?—I am a farmer. I hold 180 acres under perpetual lease and 36 acres of freehold. I graze sheep and cattle. I have been in the district since 1883, and on my freehold since 1888. I pay 1s. 6d. per acre for 60 acres and 2s. 6d. for the balance.

100. You apparently did not convert your perpetual lease into a freehold?—No, but I would like to. I allowed the time to lapse.

101. What would you like to bring specially before the Commission?—I came here to give evidence about the unearned increment. There is no such thing.

102. Some witnesses think that the railway has created an unearned increment?—What is the good of the railway if I and the rest of the settlers stop sending stuff by it. We came up here to settle first, and we have brought the railway.

103. Then, your opinion is that the unearned increment is due to the settlers?—Certainly. Any unearned increment is simply my wages and the result of my improvements, for which I otherwise would not get any value, because no man coming along ten or twenty years after I had settled here could possibly tell what I had done in clearing and planting and improving the place. He would never see clover instead of matagowrie, and grass instead of tussock. The only way he could value my improvements would be by leaving a strip of each paddock in its natural state, and even then the cattle would spread clover over it.

104. What was the value of your place when you took it up?—I paid £4 per acre for the freehold.

105. What is its value now?—It would not pay me at anything less than £20, having regard to my buildings and improvements.

106. Have you improved your perpetual-lease portion much?—Yes. On one section of 120 acres I gave the outgoing tenant £415 for his improvements. There were no improvements on the 60 acres, barring fencing. It was valued at £1 10s. for renting purposes, but a recent valuation has increased the value to £200, or £3 6s. 8d. per acre.

107. What improvements do you consider you put on that?—It is subdivided into four paddocks, and what was once matagowrie and tussock is now down in clover and grass.

108. *Mr. McLennan.*] You heard what the other witnesses said about cutting up the stations here?—Some of these runs could be very well cut up. I could do with 1,000 acres of high and low country, and I could make as much off it as any other man.

109. Do you think the sections would be all taken up if the Government subdivided the land?—Yes. I may say that the land across the river is in 1,800- and 2,000-acre blocks, and everybody is doing first rate.

110. *Mr. McCardle.*] I suppose you have an idea where the unearned increment goes and where it is principally created: is it not in the cities where the produce of the settlers is sent?—Yes. I will take Mosgiel, and I remember sections that were once bought for £25 per acre now bring £100. Those people come up here and are making a living out of us by selling drapery and other goods. That is where the unearned increment is.

111. Is not the same thing still more apparent in the City of Dunedin?—I am not particularly posted about Dunedin. I take no interest in it.

112. You do not believe in a single-tax being levied on the farmer?—I do not understand that tax.

112A. There is very little of the settler's earnings remaining in his pocket?—Very little.

113. *Mr. McCutchan.*] Was it through an oversight that you did not acquire the freehold of your perpetual lease?—It was that as much as anything else. If I had known as much then as I do now I would have had the freehold, even if I had had to borrow money.

114. You think the freehold tenure is the best?—Yes.

115. Would you limit the area?—Decidedly.

116. Do you think the present limitations of the Act are satisfactory?—No. Under the present Act if a man has four or five sons and daughters he can add to the property and still all reside in the one house. When you limit the area of land I think you should make the holder reside on it.

117. The young people have to reside on their sections when they reach the age of twenty-one years?—Not on the freehold. I think you ought to limit the area and make it a condition that a man resides on it as well.

118. Generally speaking, you approve of the freehold tenure?—Yes, up to a certain limit.

119. It is understood, from an opinion by the Solicitor-General, that the period for acquiring the freehold under perpetual lease has been extended in some cases: have you heard anything about that in this district?—No. The great advantage about the freehold is that if a man strikes two or three good years and he makes his property freehold, he is saved when the bad years come. The bad years will come just as surely as they did before, and by acquiring the freehold a man is making provision for them just as if he put his money in the bank.

120. *Mr. Paul.*] What is your main reason for wanting the freehold?—Just what I have stated.

121. Suppose you continued the leasehold and put the money in the bank against bad years, would that not be as good?—There is always something else turns up when you have money in the bank, and sometimes it turns out all right and sometimes it does not. If you buy the freehold you are safe and your family is safe.

122. You think it is best, from a personal point of view, to buy the freehold?—Yes.

123. Do you think it is good policy, from the point of view of the State, to allow you to acquire the freehold?—It is good policy for the country to put men who want the freehold on the same level as the men who have acquired the freehold before now.

124. But do two wrongs make a right? Suppose it was wrong in the old days to allow a man to acquire the freehold?—It would be all right if the State had commenced at the beginning and prevented the acquisition of any freehold.

125. Then, you want the freehold because somebody else possesses the freehold?—And because that man is in competition with me, and has a better chance of weathering through than I have when bad times come.

126. You know the flat land belonging to Murray-Roberts?—Yes.

127. Has that increased in value in the last twenty years?—Very much.

128. What improvements have they put on it?—There is a splendid house on one part of it, and many other improvements.

129. Are there any improvements on the section offered to the Government?—It is fenced, and is all ploughed and in pasture.

130. How much is that increased in value during the past twenty years?—Similar land twenty years ago was bought for £6 10s. per acre, and for similar land to Murray-Roberts's a settler is wanting £12 10s. per acre now.

131. Who created that value? Did Murray-Roberts do so by their improvements?—Yes, a lot.

132. How much?—It would be very hard to say.

133. To save time, was there any unearned increment there?—Perhaps to the extent of £3 15s. per acre.

134. You admit that is community-created value?—Not at all.

135. Did Murray-Roberts create it?—They did.

136. How?—In several ways. They have been paying rates, and their share of the railway, and their share of taxation. These have all helped to create it.



137. If you and your fellow-settlers had not come to Middlemarch, and if the Otago Central Railway had not been considered, would Murray-Roberts's land be still worth £14 per acre?—No, it would not.

138. *Mr. Forbes.*] You said the railway did not increase the value of the land in this district?—I said if it was not for us the railway would not be here.

139. If the Government had done nothing with this land until they had put the railway through, would it not be worth more than it was twenty years ago?—Decidedly it would be worth more.

140. Then, the railway must have made some difference in the value?—I suppose, valuing the land twenty years ago as compared with what it is worth to-day, there is fully £2 per acre increase due to the railway alone.

141. *Mr. Matheson.*] Do you pay any revenue to the Crown through the Customs?—I think so.

142. And through that you are paying your share of the railway through other people?—Yes.

143. So you have paid for the railway, and you contend that any enhanced value it has brought to you it had also brought to the dwellers of the towns by bringing them your produce to handle?—Yes. They get their stuff so much cheaper. I would like to say, so far as Land Boards are concerned, I do not think they could be improved on at present. I think the constitution of the Land Boards is entirely satisfactory.

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DUNEDIN, TUESDAY, 21ST MARCH, 1905.

DONALD REID examined.

1. *The Chairman.*] Mr. Reid, you are a farmer at Salisbury, North Taieri?—Yes, and I am also in business in Dunedin as a wool and general commission agent. I have been in the colony fifty-six years, and have been farming at Salisbury nearly forty-eight years. I have over 4,000 acres of freehold there.

2. I think you were Minister of Lands at one time, and also head of the Provincial Government of Otago for a while?—Yes.

3. You have had a large experience in land matters, and the Commission thought they would like to hear your evidence. We will take the various points we have to inquire into in their order. The first is the constitution of the Land Boards. You are, of course, aware that the Boards are at present nominated, and there have been some expressions of opinion that their constitution might be altered for the better, either by total or partial election. What is your view with respect to the present constitution of the Land Boards?—I do not think you can improve on the nominated Boards. That system gives the Government of the day the power to select trustworthy, reliable men, and men whose sympathies would be in the direction of the best settlement of the land. An objection I have felt—though not to the Boards themselves—is as to the manner of carrying on their business, and it is this: that there are too many references to the Minister. It occurs to me that if you have a highly paid Chief Commissioner and a Board selected by the Government—men of probity and integrity—as soon as the waste lands of the colony are brought under the control of the Board the control of the Board should be absolute, without any reference to any Minister. We have felt at times—we have had in our business to act as agents for clients—and we have felt at times that this reference to the Minister meant farewell to the hope of our client unless he was of the favoured "colour." I strongly disapprove of the patronage—namely, the authority that is given to the Minister in these cases. You refer a matter to the Government, and it is a month or two months before you get a reply, and that reply is "So-and-so is declined," or it is granted. I have heard of deputations going as far as Wellington to intercede with the Minister in order to get decisions in the way they wished. I think that is a bad state of affairs.

4. Regarding the selection of the members of the Board, it has been mentioned several times that, instead of the present constitution by nomination, it would be a decided improvement if the Government would select members fairly representative of the different districts of Otago. At the present moment we are informed that all the members of the Board are from the seaboard, and there is no representative of Central Otago?—That would be desirable. No doubt one reason for most of the members of the Board coming from the seaboard is the accessibility to the place of meeting.

5. Especially in the case of a weekly meeting of the Board, a man would be half his time going to and coming from the meeting; but we are informed that the meetings are to be fortnightly, and probably monthly, before long?—Yes.

6. The next point we have been asked to inquire into is as to the tenure of the land. Under the leasehold there is a variety of tenures. The one that is most prominent at present is the lease in perpetuity. 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—and we would like to have your views upon it?—I am strongly of opinion that the whole of the land of this country, as soon as it can be safely and judiciously done, should be held as freehold. I cannot conceive of any country getting the full benefit from its land under any form of tenure other than the freehold tenure, and I am not aware of any country in which the lands are owned by the State. Take France, for example, where the most intense small settlement obtains. I am not aware that the farming-lands in that country are held by the State; but, as far as I know, the tendency is to individualise. In fact, by the State owning the land we go back pretty much to the old Maori system, where the head of the tribe held the land, the tribe occupying under the chief. I am strongly in favour of the freehold.

7. You know the terms of the lease in perpetuity—for 999 years, and the original price of the land is the capital value of the land for all time. Of course, the tenant pays a percentage of interest in the way of rent?—Yes.

8. Supposing for a moment that your views were given effect to—those who now hold the lease in perpetuity would not be affected—but if an offer was made giving an opportunity to tenants to exchange their leaseholds for freeholds, do you think they should get the land at the capital value at which they started; or, seeing that the contract is to be broken, should there be a fresh valuation, and should they pay either the increased or decreased price at the time when they made the land freehold?—That question is a little knotty; but I think, as a general principle, they ought to get the land at the price which was fixed when they took up their lease. If they had been purchasers for cash—I presume the Government fixed the value of the land—and if the settlers had purchased for cash there would have been an end of it. But if they are tenants, why should you take advantage of their position, and why not allow the tenant to acquire the land—not compulsorily—but to acquire it gradually as he is able to pay it off. I think the highest aim of any State or people who wish to encourage the beneficial occupation of the land should be to say to every one of these men, “As soon as you are able to pay, no matter what the amount may be—£20 a year, or, say, £5 or £10 every half-year—we will lower your rent to a corresponding extent.” That would give a man an incentive. Taking these leaseholders: supposing they are making a little profit, what are they to do with their savings? Very few men think of putting their small savings into the bank. They spend it. If they had the option of putting it into their land they would be doing something for their families, and it would be no injury to the country—in fact, it will be a benefit to them and to the country in assisting to reduce our obligations to the foreign money-lender in regard to the purchase of these estates; and the same thing applies to the Crown lands. Every inducement should be given to these men to settle here and become freeholders under the best conditions. It was the prospect of getting the freehold that brought our first and best settlers here, and that feeling is inherent in the bosom of most men. I notice from some of the evidence given before the Commission that some witnesses do not believe in it, but there are exceptions in the world always.

9. Supposing your views are given effect to, and people are allowed to get the freehold, what would be the tenure you would recommend in regard to land yet to be taken up?—Under a former law there was a deferred-payment system—a system of gradual payment by instalments over ten years; and there was the perpetual-lease system, which was a leasing system with right of purchase after a definite term of residence and improvements, and if that period was passed over it became leased practically for ever with periodical revaluation. The first term of the perpetual lease was thirty years. That gave a man time, in the case of rough country, to bring the land into shape and get some advantage of his improvements. At the end of thirty years it was valued afresh, and he got the first offer; and if he refused to avail himself of it it was put up to auction, his improvements being carefully conserved to him.

10. We will presume that we are passing a new Land Act: what would you recommend? You say the object should be to get the people on the land and fix them there. We do not want to make the land a merely speculative matter?—In framing a new law, I do not know that you could much improve on a system similar to what was called the deferred-payment system. For instance, there need be no cash payment more than equal to the first half-year's rent. Thereafter the land might be held, the occupier paying a low interest on capital value. The reason I mention that is this: some of those who make our very best settlers, although they may have abundance of skill and energy, have very little capital to begin with, and they might get their land under a system of deferred payment or long lease—you may call it any name you like; the object would be the same—that is to say, they would take up the land with very little capital. You should fix the price on the land—what you consider it is honestly and fairly worth, and if you get a good settler on it I would say let it go for nil, or for the cost of survey. But, having fixed the price, the occupier in all cases should be allowed and encouraged to pay it off gradually from year to year as his means permit; but there should be a condition of occupation and residence attached to all fertile land—land capable of growing grain and grazing dairy cattle. I am sorry to say that we have not a great extent of that sort of land now available. In regard to ordinary grazing or pastoral land, that would be quite different, and I would deal with that separately.

11. We might just touch on the great pastoral estate, which is really the main land we have got. I may state that in Canterbury, Southland, and Otago there are, in round numbers, 9,000,000 acres of the mountain country under pastoral lease and license at the present moment. It is an important question how to deal in the future with these runs. In Otago there is an area, in round numbers, of about 4,000,000 acres. We have just passed through a good deal of that country. Take, for instance, the Maniototo Plain. Pretty well all the low land has been taken up nearly to the base of the mountains, leaving the high land behind. It is a very important question how this is to be dealt with in the future. We would like to have your views on that point?—I think there is a great deal of our mountain country that cannot be very largely subdivided. The best men to make the subdivisions are not the surveyors—they may be good men to come in afterwards and prepare plans and show boundaries, but the men who ought to make these subdivisions should be experienced shepherds and sheep-owners. It is idle and futile to set off runs of that sort without winter country attached to them. There has been a good deal of mischief done, I think, in this connection. I refer to what I know of close at hand. Take the Rocklands Station, which the Chief Commissioner was over recently. The low land was taken off that and a few smaller runholders were put there. The other men were men of some substance, and they were left to fight the best way they could. To-day the run has no tenant, and there are about 100,000 acres in the run itself. That run is about forty miles from Dunedin. The question is whether it is not desirable to reacquire some of this low grazing land in order to subdivide the country and work it with the high pastoral country, which is capital summer grazing, but

dangerous for the winter. The men who occupied Rocklands had to acquire other low lands in order to rear their young sheep during the winter, as the country left in the run was too high and cold. Even old sheep suffer greatly, and are subject to heavy losses. My opinion is that you can have no cast-iron rule. You must take each piece of country separately and consider its altitude and general features, and lay it off in such a way that there shall be some accessible winter country, and it should be divided up and down from the mountain-top to the land below. In doing that you cannot afford to make the sections very small because of the cost of fencing, and where fences are on the snow-line the expense is very heavy. This is a big subject. I think it would be well to reacquire some of the low-lying grazing-lands in order to profitably dispose of the high country.

12. I suppose you think it is most essential that all the country should be occupied by some one so as to keep down the rabbit-pest—as a protection against the invasion of the lower and better country by the rabbits?—Yes; I think it should all be occupied.

13. The next question is this: Whether the residential conditions are too exacting and require relaxing, and, if so, in what direction?—I could not say anything on that point. I have had no experience of it for a number of years.

14. Then, there is this question: Whether lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office? I do not know that there is much hardship. Sometimes settlers have told me they would rather borrow from private sources.

15. Are you aware of any aggregation of estates going on in Otago?—No. There is more segregation than aggregation. It sometimes happens that a man has taken up a section of, say, 100 or 200 acres to begin with, and by industry he supports his wife and young family upon it; but by-and-by his family increases and grow up, and the section is too small for them. In such a case a neighbour may sell out, and this man may buy the section. That is aggregation in a sense, but I consider it is beneficial and in the interests of the country. When a man with a big family buys, the probabilities are that he divides it amongst the members of his family, and, as in the case of France, each member of the family will have a small piece of land, which will be segregation. I know scores of people who want to sell, and the best prospect for sale is when the Government wants to buy, and the Government sell to men who are going to occupy the land on lease, and this chiefly because they are not in a position to buy.

16. Then, there is the question: The maximum area which should be held under the several classes. Do you think there should be a limit to the amount of land sold to any person: do you think it would be in the interests of the general progress of the country if there was a law defining a maximum area or the value of land any one individual can hold?—I think the Government are quite justified in seeing that the country is as fully settled as it can reasonably be profitably occupied. I should say that in the case of fairish land, suitable for growing cereal crops and for grazing purposes, 200 acres would be a fair-sized farm for a man devoid of capital. I am not very sure, however, that there is any reason why, no matter what capital, energy, talent, or capacity a man may have, that he must be limited to a certain area of land. I would be dead against that. I think every man has a right to acquire, if his means permit it, and to purchase from private sources, as much land as he can profitably occupy. The Government has ample means of protecting itself by taxation in such cases. I say that the Government, in the case of the first sale, as long as the land belongs to the State, should provide that the land should be offered and sold in limited areas.

17. Then, there is the question: To inquire and report whether each area of land leased under the Land for Settlements Act shall have a separate occupier, and the area not to be increased or boundaries altered without the direct sanction of Parliament?—Evidently it cannot be done at present without the sanction of Parliament. I do not see why it might not be decreased. If a man had a good estate, and he has sons—active, intelligent, pushing young men—who wished to settle on the land, and the owner was getting feeble with advancing years, and was content to do with 10 or 20 acres, I do not see why he might not divide his land if he chose to do so.

18. *Mr. McLennan.*] You are in favour of more discretionary power being given to Land Boards, so as to decide certain cases coming before the Board on their merits and within the law?—Yes.

19. Would you be in favour of amending the law so as to provide for that?—I am not sure whether they are not able to do that now, but the practice has been to refer certain questions to the Minister more as a matter of policy or deference. But if the Board took that power on themselves it might cause the Minister to desire a change in the *personnel* of the Board. I would make it quite clear by law that the Board had no reference to make to the Minister, and that the Minister had no right to interfere.

20. If you found the law did not give the Board the power you would be in favour of amending the law so as to enable them to have the power?—Certainly.

21. You remember when the Land for Settlements Act was before the House: were you in favour of that measure?—I was not then in politics.

22. As a private gentleman, were you in favour of it?—I am in favour of the land being occupied that is not now occupied.

23. I think when that measure was first proposed only a certain class were in favour of it: what was your opinion of it at the time?—When I heard it discussed I felt it would be a hardship, if I were a farmer profitably occupying a farm of, say, 1,000 acres of good land, that the Government should take my land compulsorily, and partly at my expense, with the view of giving it to eight or ten other farmers to do the same work as I was doing myself, and who might not be capable of doing it so well. With reference to compulsory taking of land, that is not an innovation, for in the Old Country County Councils have the power to take land compulsorily for closer settlement—for small village occupiers. That is how I thought of this question ten or twelve years ago, but I took no special interest in it; it did not really weigh with me then.

24. In your business capacity has it ever come under your notice that Crown tenants under the lease in perpetuity are anxious to get the option of the freehold?—I have heard settlers say they would like to acquire the freehold.

25. Do you think there is a universal desire on the part of Crown tenants under the land for settlements to acquire the freehold?—That is a matter I have never discussed with them. I have only casually heard people say they would like to acquire the freehold.

26. As a business man, do you not think that desire should in the first place come from the tenants?—I have no doubt it will come.

27. You are aware, I suppose, that most of the agitation has come from the Farmers' Union, money-lenders, and suchlike? I think you will agree with me that if it is for the benefit of the tenants the desire should come from themselves and not from outsiders?—I have no doubt it will come in due course; but I do not think that at present they have accumulated sufficient funds to enable many of them to take advantage of it. If the option were immediately given I do not know that many could find the funds to do so. As to the agitation coming from themselves, some of them do not like to do anything that might be construed as being opposed to the policy of the Minister for the time being. There are Inspectors coming round, and they take their cue from the Minister, and there are a lot of things that I dare say you understand better than I do.

28. Then, you consider they are slaves, or are not independent?—To some extent I think they are.

29. I differ from you there. As long as a man pays his rent and makes the necessary improvements he is just as independent as any other man?—Possibly he is. I am not saying that he is not.

30. *Mr. McCardle.*] Referring to the last question, have you noticed that the Premier has determined that tenants are not to be harassed by Rangers or Land Boards: is that not an indication that there is a certain amount of oppression thought by the Minister to be exercised by the Boards or Rangers?—It would appear to be so.

31. How long is it since you brought in your Land Act in Otago?—I think it was first brought in in 1871, but it did not pass then. It was passed in the following year—1872.

32. You had some experience while Minister of Lands of the bush country? In 1876 I waited on you with a petition regarding land-settlement, and I remember at that time you considered that if the settlers got the bush land for nothing it would be a good thing for the State?—In respect to some classes of bush, as well as open land, I think so still.

33. Do you not think there should be some special treatment given to those who take up bush land, compared with those who take up improved land? Say a bush settler takes up a section valued at 10s. and spends £4 on it before he has grassed it, and his interests then become much greater than that of the State, do you not think he is entitled to exceptional treatment in the way of being granted a freehold—you have expressed your opinion in favour of small holdings?—I am in favour of all occupiers getting the freehold within a reasonable time. I think we should make sure of getting permanent settlers on the land, and, having done that, I think the settlers should be allowed to pay off the value of the land as soon as they can, and then let that money go towards paying the public creditor.

34. In the case of bush settlers who have got no road, do you think an exemption as to residence would be a fair thing, so long as they comply with their improvement conditions?—Yes.

35. With reference to the advances to settlers, do you know whether settlers holding lease-in-perpetuity land generally have their wishes or requirements met by the Department?—I do not know.

36. Do you think the Government could safely increase the advances to settlers under this Department up to three-fifths of the value of their interest in the holding?—I think so.

37. You understand that the value of a man's interest sometimes differs very much from the improvements valued by the Ranger, and that sometimes the settler spends a large amount of money for which he gets no allowance: do you think the selling-price would be the proper value to assess it?—That is, the Ranger's price?

38. No; he does not value nearly up to the cost of the improvements?—I do not think it is desirable that he should get too much accommodation.

39. In the matter of the freehold, is the State being deprived of anything when freeholds are granted to an individual?—No; I think it is being enriched.

40. A so-called freehold is only a conditional freehold—it is always liable to taxation?—Whenever the Government choose to impose it the unfortunate man who holds the land is liable to have his taxation increased.

41. In regard to the unearned increment, how can you differentiate between the country settler and the man in the town?—I would not differentiate, but it would appear as if the country settler is supposed to exist in an inferior condition, to be the hewer of wood and the drawer of water to provide luxuries for the owners and occupiers in the town.

42. *Mr. McCutchan.*] You advocate the deferred-payment system, and you would put that system on the statute-book, in addition to the present tenures?—If the present tenure were altered in the way I suggest it would enable a man to pay off the money as he is able. That is practically a deferred payment. The deferred-payment system I speak of would be different from that under our original Act as applying to Otago, for the simple reason that that Act provided that every half-year there should be a fixed payment made, and it might happen that an unfortunate tenant or purchaser might have a bad season, or troubles might overtake him, and he could not make his payments. Under the system I suggest it would not be a compulsory payment. He could make the payment if he had the money available, but failing that he would have to pay interest on the unpaid balance of the capital value of the section when he purchased it. So that practically it would be a system of long lease, with the right of completing the purchase by paying off money as the settler had the funds.

43. Under the old deferred-payment system, when it first came into force the Government fixed the capital value at 50 per cent., and some years later by 25 per cent. Do you not think

that was excessive?—Yes. Under our Otago system the price of deferred-payment land was fixed at £1 5s. The extra 5s. payment was supposed to represent interest on the capital. The purchaser paid no rent, but he paid 5s. for the accommodation for the ten years. He paid 2s. 6d. per annum for ten years. This acquired the freehold. The cash price of land at that time was £1 per acre.

44. I suppose that was a fair actuarial calculation?—I suppose so.

45. With reference to the Land Boards of Otago and Southland, we have found that the settlers are in favour of the system of nomination by the Government. In other parts of the colony the settlers are fairly well satisfied at present, but some of them express a fear that the balance of political power will not always be so equitable as it is now—that is, in view of the thorough organization of the centres. Do you think it would be wise or unwise, in view of that, to make a portion of the members of the Land Boards elective? Say, if two out of the four members were elected?—Possibly that might be advantageous, but I do not think there is any danger at present.

46. With regard to the runs, you advocate acquiring low country and selling all the high country. We noticed that very much of the low country adjoining the high country is already in possession of small holders, and in such cases would it not be reasonable to subdivide a fair proportion of the high country and offer it without competition to those persons holding the low country?—Yes, that would be right enough at a fixed price. When I spoke of reacquiring low country I did not mean where homes were established and farming going on—I meant semi-pastoral country. There is some of that class in the market now, and I think it would be advisable to acquire it. When I spoke of reacquiring land I did not mean land used for cereal cultivation, but grazing land, to be worked as winter country in connection with the summer country on the high runs which have no winter country.

47. With reference to borrowing, you said that you thought no hardship was entailed on Crown tenants in cases where the Advances to Settlers Department reduced the advance asked for: do you make that statement because the tenant could get the money as cheaply elsewhere?—Sometimes he can. A person may feel it a hardship, but I do not look upon it as any great hardship. I know where some of them have failed to get it from the Department they have got it from private sources at about the same rate.

48. You think that segregation rather than aggregation of large estates is going on?—Yes.

49. You mentioned the case of France. I notice that it is said that the excessive subdivision of land in France is becoming a national evil?—I do not believe in the Government interfering with private enterprise in regard to the size of a man's estate, if they are simply going to take his land from him and give it to other people; but if a man chooses to subdivide his estate, I do not see why he should not be allowed to do so. When a man has spent many years of his life in developing his land I do not see why the Government should step in and take from him the fruit of his labour and enterprise, unless the land is required in the public interest. In the cities there are large iron-foundries and printing establishments in which fortunes are made, and you do not hear of the State compulsorily taking over those establishments; and when a man has given his intelligence and skill and the best years of his life to the cultivation of the land it is not fair nor consistent with sound policy to take the land from him, even if he has accumulated money with it. But my experience is that landowners do not, as a rule, accumulate anything, but are sometimes very glad to sell the land, often at far less than it has cost them.

50. *Mr. Paul.*] You have had a large experience of Land Boards. It has been represented to us by several witnesses that these Boards could be dispensed with, and the administration vested in the Commissioner and Rangers. Do you think that possible?—I think it might be possible, but I do not think it desirable.

51. You wish the patronage of the Minister removed from the administration?—Yes.

52. By removing the patronage, is it not simply a case of transferring it to the members of the Land Boards?—Yes; but the members of the Land Boards are not supposed to be particular partisans of any side in politics, and I would assume that they are men who are appointed because of their fitness for the position in character and otherwise, and of their aloofness from excessive partisanship, their knowledge of land-settlement, and their sympathies with it. In the case of the Minister, there may be partisans who send him information that if so-and-so is not done so many votes will be lost at the next election. Then human nature comes in, and the Minister may be told "So-and-so worked against you last election," or it may be that the man who wants this thing done is an out-and-out supporter. I suppose, however, you never heard of such things.

53. Then, you think the administration of these lands is a huge political machine?—No, I never said anything of the kind. I said I objected to special cases being referred to the Minister.

54. Has it been your experience that this political influence has been used?—I say I have known a deputation go to Wellington to try and influence the Minister with respect to a decision the Land Board was prepared to give.

55. Seeing that the best lands are in the hands of private people, how would you settle a poor man on the land? Would you leave it entirely to private enterprise, or deprive the State of the power of acquiring land for settlement purposes?—Private enterprise does a lot, but I never said anything against the Government acquiring land. I do not think it is desirable on the part of the Government to compulsorily take land from one farmer, who is working the land properly and making the most of it, in order to start a number of other farmers who may not be able to work it to the same advantage. The *Daily Times*, in Dunedin, has a very big circulation, and its size and strength precludes any one else starting a second paper; suppose you say to the Government, "Take that paper and make it into a number of other papers," do you think there would be any equity in that?

56. How else can it be done except by acquiring some one else's land?—I see no necessity for its being done if the land is being used to its best advantage.

57. It is a question of population—you must have a larger rural population?—You would not make the land larger by taking the land from one man and giving it to another.

58. In your experience, are these large estates fully developed? Take Flaxbourne, for instance, is that producing to its fullest capacity?—I do not know anything about that estate, but I should think it had not been fully developed.

59. You approve in that instance of the Government acquiring an estate?—Yes; that is a different thing altogether. I have been referring to farmers who were farming their land, say, of 1,000 acres, and using it to the best advantage. I say it would be a hardship to take that man's land and divide it between six or eight others. But, in the case of a large estate like Flaxbourne, if a fair value is given I think it would be right enough—I never heard any one say anything against it.

60. You make a comparison between land and business. Do you regard land as a chattel?—Yes, I look on the land a man has taken up and is using to support his family and carry on his business as his stock-in-trade, and you might as well put Reid and Gray, the manufacturers, out of their foundry as put a man off his land. Reid and Gray out of their foundry would be unable to carry on their business, and the farmer out of his land could not carry on his business; the land is his means of production.

61. Under the present system tenants under the lease in perpetuity pay 1 per cent. more for the option to purchase. Would you be in favour of paying up that 1 per cent. from the time of leasing to the time of purchase?—I think it would be rather an advantage to get them to purchase. Seeing that if they purchased a number of the Inspectors and Rangers could be dispensed with, it would perhaps be as well to do away with the 1 per cent.

62. Do all freeholders look after their land?—In the great majority of cases they do.

63. I am very sorry to say we have seen both freehold and leasehold land badly neglected?—That may be; we have got to compete against the cheapest labour in the world, and high wages have to be paid, and a man cannot be expected to keep everything in tip-top order.

64. If higher wages generally were paid would not workers be able to give more for the produce?—It would help, but we have to compete with our surplus produce in the cheapest markets.

65. Would you favour giving the tenants of educational endowments the right to the freehold?—Yes, if they paid a fair price for it. It would be the best thing for all parties. The Education Boards would not have a place like Burwood thrown on their hands.

66. And in the case of Corporation leases, say, in the City of Dunedin?—The Corporation manage those themselves.

67. Have you the same opinion with regard to them, as to the wisdom of parting with the freehold?—Certainly, they might sell them with great advantage. If they sold them at the present-day prices they might chuckle over it ten years hence.

68. Might not the boot be on the other foot?—It might be, but it is as likely it would not.

69. Do you suppose that Crown tenants would borrow to buy the freehold?—Yes, they might borrow from private lenders.

70. Would that be a wise step?—Not unless they were required to pay up.

71. Do you approve of the Advances to Settlers Office as at present administered?—I think that the advances-to-settlers system has been very beneficial to borrowers, as it has steadied the rate of interest.

72. Do you not think that if the option were given in regard to these estates purchased under the land-for-settlements policy, one neighbour would buy another out, and so forth?—I do not know that that would be any drawback. It would be turning the land to good account. I do not know that we should restrain a man from doing his best with his energies, capital, and intellect.

73. If a man has the capacity to manage the whole block you would not hinder him acquiring the surrounding land?—Not if he thinks that by so doing he can do better, and that those who sell think they can do better by getting their money and putting it into some other enterprise.

74. Would you favour the Government buying the land back again if they wanted to?—Yes; but I do not think they would want to.

75. *Mr. Forbes.*] Do you not think it would be better if the Land Boards adhered more strictly to the conditions of the law, instead of varying the conditions as frequently as they do?—I think the Land Boards should be bound to administer according to the Act. Anything outside of that should be by reference to Parliament.

76. Do you think that the accumulation of large estates can be got over by the application of a graduated land-tax?—Yes: I think it has pretty well been got over already. Most of the people I know wish to dispose of their estates, but the difficulty is to get purchasers.

77. You said that if the tenants were able to get the freehold of the land the Government would be able to pay off the money-lender: do you think if the money came in it would be used for that purpose?—If Parliament did its duty, and if the Auditor-General did his duty, they would see that that money was used for no other purpose.

78. There have been sinking funds previously: have they been rightly applied?—No; they have all, as a general rule, been "collared."

79. Do you not think there is a danger of the freehold money following the same path?—Perhaps.

80. *Mr. Anstey.*] Did I understand you to say there is no aggregation of large estates going on?—I did not say that altogether.

81. We have had several instances: the owners of Blackstone Hill already own several other runs?—Those are leasehold runs. I was not referring to them; but I do not know that there is much of that going on either.

82. Robert Campbell and Sons have a number of large estates?—I was referring to freeholds. I understand Campbell and Sons are selling out of some of their runs, or refusing to renew their leases.

83. Well, is there no aggregation going on of runs?—I am not aware of it myself.

84. Supposing that low country was purchased and thrown into these runs, would it not be possible to subdivide them?—Yes.

85. Would it not be more desirable to purchase that land than to add it on to a large run?—It was for the purpose of subdividing the large run and making it more accessible that I suggested it. Take Rocklands, for instance: there is no winter country on that estate now, but there is winter country adjoining, and it would be to the advantage of the estate and to the interest of the State to acquire it.

86. In subdividing runs you think that each subdivision should contain a proportion of high and low country?—Yes, and all the high country should be attached to one or other of the watersheds. The subdivision should run up and down to the low country according to the trend of the gullies and ridges.

87. You spoke of the minute subdivision of land, as in France: would that be desirable in New Zealand?—I do not think it would; but when you get a thick population of peasantry on the land subdivision amongst families goes on, because that is all the parents have to give to the children.

88. Is that desirable?—No; certainly not.

89. Is it not a fact that the leasehold system is much more attractive to the ordinary occupier than the other?—I should say it is more attractive to the man who has nothing to buy with.

90. Is it not a fact generally that your potential settler is a man with little or no means?—Very often it is so.

91. The tenure the Government offers is better than he can get from a private owner?—Yes.

92. *Mr. Johnston.*] Is your property at the Taieri all level land?—No; 400 acres is tolerably level. The most low-lying is about 40 ft. above sea-level and the highest 1,800 ft.

93. Is it generally good land?—No; I have improved it and made it what it is to-day at great expense. I have spent more money on it than I could get for it to-day.

94. What is the value of the land?—Some of it would be cheap enough at £30 per acre, and some of it would be dear enough at 15s. per acre.

95. How much of it is worth £30 per acre?—200 or 300 acres probably.

96. And the balance is worth 15s. per acre?—No; some of it will be worth £15 and some other parts worth £7.

97. How much will be worth £15?—I have not studied that out. I never get any commensurate return from it.

98. Is it not rather bad business to keep it, then?—What else can I do?

99. Can you not sell out?—No.

100. Have you tried?—No; but I have tried to sell other similar properties.

101. Have you tried to cut it up?—I cannot afford to cut it up and allow people to come in on the terms the Government do.

102. It is quite evident that you believe in large estates?—I do not know that that is quite evident.

103. What is the extent of Rocklands?—100,000 acres.

104. What is its height?—Some of it is 4,000 ft., I believe.

105. Will land at 3,000 ft. carry sheep in the summer-time?—Yes.

106. And in the winter?—Yes; but it is dangerous for sheep in winter.

107. Is there good winter feed at 2,000 ft.?—Yes. It is a dangerous run in winter. There have been great losses.

108. Is 2,000 ft. on the Maniototo dangerous?—I cannot tell you; but I know they have had great losses up there.

109. How many sheep do you shear?—I have got fourteen hundred running just now.

110. Did you shear that number?—No; I was rather lightly stocked with sheep last season, but I expect to shear fifteen hundred next season. I may say I have a number of cattle on the rugged country, tramping the fern down and bringing it into grass.

111. Do you know anything about grassing high land?—Yes.

112. Would you tell us what you have done, and whether it was successful?—At 1,800 ft. I sowed cocksfoot and put chain-harrows over it, and there is a fine crop of cocksfoot 2 ft. 6 in. high there. I have not put much stock on it, as I wish it to go to seed.

113. Did you burn the tussock off?—Yes, before sowing. The best time I find for sowing is about Christmas; but, of course, I sow at any time I get an opportunity. In some cases the most effective method I find is by feeding the cattle on the waste from seed-cleaning machines. I buy it from the seed merchants, and have used as much as 200 tons in a winter to the cattle in the fern and rough gullies.

114. Do you mean weeds, and so forth?—Yes; everything in the blowings.

115. How do you give it to them?—In wide boxes.

116. You feed that to the cattle?—Yes, and sow cocksfoot ahead of them. They feed round the boxes in the winter-time, and they trample the cocksfoot-seed down, and at the same time distribute this seed over the land.

117. You do not advise anything but cocksfoot?—Yes; I use Chewing's fescue and crested dogstail also.

118. They stand on hilly country?—Yes; they hold better than the cocksfoot.

119. Is it rough country?—Yes; so rough that I could not plough it.

120. Is it under snow in winter-time?—No. My land is not far from the coast; but I have seen the top of it for a fortnight with a couple of feet of snow.

121. Is there no danger of spreading weeds through feeding with this refuse?—No; I have not found it so. The land is very rough.

122. Have you any ragwort?—Well, that is coming. I saw a big plant of it the other day.



123. You do not think there is danger in using the refuse from seed-cleaning machines?—No; but I always examine it to see if there is any ergot or objectionable seeds in it.

124. Do you believe in runs being cut up?—It all depends on the configuration of the country. I think a run of 15,000 to 20,000 acres is big enough, even if it is very rough country.

125. Instead of cutting up according to area, you would favour a run being cut up according to its carrying-capacity of sheep?—Yes.

126. How many sheep would you advise allowing a farmer in order that he might make a fair living?—That depends on the kind of country. The configuration would have to be considered. There is no doubt that in some of the back country large areas must be given. I think in ordinary cases, if the land is suitable, a man should have at least enough to carry two thousand sheep. I do not think that with less than two thousand sheep it would be worth his devoting his time to the business.

127. You think a man with two thousand sheep can make a living?—Yes. Of course, the land ought to carry that number in good condition all the year round.

128. You seem to think there is considerable corruption in connection with the land-administration?—I did not use that word. I said that, in my opinion, undue influence had been used.

129. Has this crept in of late years only?—No; I do not notice it so much of late.

130. Has it always been the case in connection with the administration of land?—I have abstained for some time from having any dealings in land matters, and have preferred to refer my clients to other firms.

131. Do you believe that tenants on church and educational endowments should be given the right of purchase?—Yes. If that were done the University Council would not be in the difficulty they were in connection with Burwood.

132. Why are they in a difficulty in regard to Burwood?—I suppose because the people think it is not worth the rent asked.

133. If the freehold was included in the lease do you think they would get the rent they ask then?—I do not know.

134. Do you not know that a good portion of the flat at Burwood is freehold?—I have seen from the plan that a lump of freehold goes into it.

135. The University has got a property at the northern side of the Takitimos, and it is said that the fact of its being fronted by a freehold depreciates its value as an educational reserve?—I know there is a freehold there.

136. Still, you say they should give the freehold of the land?—Yes, if they get a suitable sale.

137. Is the value of land at Taieri and Clutha increasing or decreasing?—Sometimes it increases and sometimes it decreases. It is as high just now as I have known it for some time.

138. What is first-class land on the Taieri worth?—Near Mosgiel first-class land is worth £30 to £35 per acre, improved with buildings, outhouses, &c.

139. Is it any dearer now than it was twenty years ago?—Yes; it is as dear now as it has been.

140. Is there any material difference, or has it kept much about the same?—It has kept pretty steady during the last few years—since the dairying industry started. Inferior land has not risen in proportion to first-class land.

141. Do you approve of the runholders getting the freehold?—Yes, if the mineral and riparian rights could be conserved.

142. You have experience of the Old Country?—I was young when I left.

143. Do you think it good that there should be the accumulation of large estates there?—I suppose they got them as gifts for using their swords originally. But I suppose they sever the estates there too. They have tried many methods.

144. You come from a country less grieved with land laws than Ireland was?—In Ireland they had the leasehold system thoroughly.

145. You represent the Farmers' Union?—Yes—the Taieri Branch.

146. Are you chairman or president?—No; I am an agent.

147. I thought the Farmers' Union did not believe in middlemen at all?—That is probably the reason why I am not the chairman.

148. You are here on their behalf?—Yes. They asked me to come.

149. *Mr. Matheson.*] Do you think it statesmanlike to give the option of the freehold?—I do.

150. Do you think a statesman would wait until the tenants clamour for it?—I think the option of the freehold should be given without being asked for.

151. *Mr. Hall.*] Do you consider that this leasing of lands by the Government under the present tenure has promoted settlement in the country?—Yes.

152. As regards Crown-land settlement, do you think the freehold should be given there?—Yes. I think occupiers should have the right to acquire the freehold after they have shown that they are *bonâ fide* settlers.

153. When substantial improvements have been made up to a certain value, do you think that restrictions, such as Rangers and inspection, should be removed?—I do not know that you can ever do away with that as long as it belongs to the State. I do not know that that would do.

154. As regards the lands taken under the Land for Settlements Act, do you think the freehold should be given there?—I do.

155. Would you make that apply to the existing holdings, or only to those granted in the future?—I would make it apply generally.

156. Would it be fair to the country?—Yes; I think it would be beneficial to the State.

157. Would not the effect of it be that the good holdings would be bought and the bad holdings thrown back on the Government?—Yes; but they would all be valued before the tenants came in, and you would get what you valued them at.

158. But the tenants get them at cost price, and the good ones being bought and the poor ones thrown back, a loss to the country would ensue?—But the good sections would doubtless be valued

higher when fixing the capital value, and the tenants would pay interest on the purchase price, and, I think, would become buyers.

159. You do not think there would be aggregation of estates if freedom was given?—No.

160. Is it fair to compare freedom in the purchase of estates to freedom in manufacturing?—Yes.

161. There is a limit to the land of the country, but there is no limit to a man's enterprise?—There is a limit to the output he can get a market for. There is a limit to the area of land, but the productiveness of land has never yet been fully discovered.

162. No one is prevented from going in for an industry?—Oh, yes. The Union Steamship Company has a monopoly, and a firmly established daily paper has a monopoly, and private enterprise cannot compete there.

163. As time goes on commerce increases, and there are opportunities for coming in?—That is so, but we may not be able to wait for that.

164. You suggested that power might be given to municipalities to sell endowments rather than hold them?—Yes.

165. Would you limit them to the holding of endowments that were not revenue-producing, or would you allow them all to be sold?—I would allow all to be sold. I think the land would be better in the hands of private owners than in the hands of tenants. These endowments are given for specific purposes, and in many cases comparatively little is got out of them; but if they were in the hands of private individuals the purchase-money would always be invested and the interest available for the purposes of the trust. The Government could give interminable debentures which would bear interest for ever.

166. The revenue from the endowments would then remain stationary, and be of a fixed value for all time?—It is doubtful whether there is any increase as it is, and sometimes there is no revenue for want of tenants.

167. The tendency in the colony is for properties to increase in value?—Not always. If improved they would probably increase in value.

168. *Mr. McLennan.*] Supposing I leased a farm from you, and one of the conditions was that I was to put so-much improvements within six years—say, equal to £1 per acre—I put on the improvements, and I come to you and demand the freehold on the capital value of the land, what would you say to me? During my occupancy the land has increased in value £2 or £3 an acre: would you be willing to give me the Crown grant on my paying the capital value?—If I had the same right as the Government has to tax you afterwards to obtain any moneys I required to maintain me in comfort all the days of my life, I would have no objection.

GEORGE LIVINGSTONE examined.

169. *The Chairman.*] You are a member of the Land Board of Otago?—Yes, and a farmer. I hold 602 acres under lease in perpetuity, and about 30 acres of township and suburban freehold. The lease in perpetuity is part of the Elderslie Estate, and the freehold is part of the Windsor Park Estate, adjoining Ngapara. I have held the lease in perpetuity for about six years, and have farmed for about twenty-nine years in the South Canterbury and Otago districts. I farmed both freehold and leasehold prior to taking up the lease in perpetuity. I am thoroughly satisfied with the latter form of tenure. Speaking for the district around where I am, including the Ardgowan and other estates which have been thrown open for settlement, comprising 300 settlers, I think I am safe in saying not 5 per cent. seek any change. All are quite satisfied with the present system of tenure.

170. Have you anything to bring before the Commission in your capacity as a member of the Land Board?—I would just like to say, in regard to some evidence that has been already given, that I got my appointment without any solicitation whatever. I merely got a wire telling me I was appointed, and I accepted it.

171. A good deal has been said about powers of discretion being given to the Land Boards?—I think in some cases it would be desirable that there should be a little more discretion. It would facilitate the settling of matters sometimes. A good deal of delay is caused by trifling matters having to be referred to Wellington.

172. This settlement, however, would require to be final?—Yes.

173. *Mr. McLennan.*] I suppose you are well acquainted with your district?—Very few better.

174. Have you visited the various settlements lately?—Yes. I know every place on the estates within forty miles.

175. We had evidence in several places that the tenants of Crown lands are not farming their land as well as the freeholders, and that in ninety-nine cases out of a hundred they have not got their improvements: I would like to know what you have to say on that question?—Well, land may not have its full improvements effected, but it is farcical to say that because of that the land is not being farmed properly. In the settlements, however, that I refer to the farms of the leaseholders compare more favourably than those of the freeholders. The buildings and fences are better, and some of the land is better farmed.

176. Do you know anything of a Crown tenant at Tokorahi having to abandon his holding and go somewhere else?—I do not think there is a word of truth in it. I never heard of it.

177. Do you know of any difficulty having been put in the way of the transfer of Crown tenants' property, supposing they wanted to go away and they could get a fair thing for their improvements and goodwill in your district?—Sometimes there has been a little difficulty in giving a transfer. I think the Board has been rather particular in inquiring into a man's affairs from a financial point of view. For instance, the Board has sometimes thought that the purchaser was giving too much. Now, my opinion is that, so long as the Board approves and the State gets a good tenant, it does not matter very much what a man gives for the goodwill. A tenant should be allowed to sell to the best advantage. That has also been suggested at the Land Boards Con-

ference in Wellington—that so long as the Government get a suitable tenant the man selling out should be allowed to sell out to the best advantage.

178. Has any tenant on these estates, to your knowledge, sold out his goodwill to advantage?—I know some who have sold out to advantage. But you must bear in mind that when the rent is put on these farms it is not always equally divided. Sometimes a rent is put on a section, and it is ridiculously low, simply through the valuer not being a capable man. In that case a man might get a “snip.” For instance, two farms of 600 or 700 acres might be rented at 5s. and 7s. 6d. respectively owing to bad valuing, although the land is the same, and the man buying out the goodwill of the section with the low rental would take into consideration the fact that the rent is moderate and give more for it.

179. You know a great many allotments range from 2s. 6d. to 17s. per acre rent?—Yes.

180. Do you think it is right they should all be on an equal footing in regard to cropping?—Not at all.

181. You know that one man paying 2s. per acre is allowed to take two white crops and one green crop, and the man paying from 5s. to 15s. per acre is only allowed to do the same: do you think the Land Board should have a discretionary power to vary these regulations?—So far as our Land Board is concerned, it has always taken that into consideration. I admit that there should be some restrictions, but as a whole I think the cropping conditions are very fair—in fact, they are as fair as any private landlord would give to a tenant. I do not think it would be wise to allow any tenant to crop the ground as he liked. I think two white crops in succession are sufficient. You cannot grow grass if you crop the ground out. I think it should be left to the discretion of the Land Board to decide whether a tenant should be allowed to take three white crops.

182. Would you leave it to the Board to decide each case on its merits?—Yes.

183. Do you remember when the Land for Settlements Act was first before the House?—Yes.

184. Were you in favour of that Bill being carried?—Yes. I reckon that the present land-tenure has done the greatest amount of good to the greatest number of people.

185. Do you know if there were any publications, such as newspapers, which were very much against that Bill becoming law?—There are always two parties—one for and the other against.

186. And at the present time is it not the very parties who were against the Bill being carried who strongly advocate the freehold?—I know for a fact it is not the Crown tenants who are advocating the freehold at all. In North Otago it is not the Crown tenants, but a great many of those who are very much indirectly interested who are advocating the freehold.

187. Do you think the demand should arise from the Crown tenants themselves, instead of from the newspapers and from Farmers' Unions, and money-lenders, and all such?—I will be candid with you. A great many settlers in our district look upon the Commission as a farce. They do not know what it is for. They have never complained. I was told that on Sunday, and as I was a member of the Board they tried to get at me about it. They are quite satisfied as they are for the present, at any rate.

188. Do you think the only thing they want at the present time is to be left as they are?—Yes. I do not believe 5 per cent. of them are in a position to pay down 25 per cent. of the cash if you gave them the option of purchase to-morrow.

189. *Mr. McCardle.*] Although you have not been a member of the Land Board long you have had a good deal of experience of the Land Board?—I have been acquainted with the Board for the last twenty-seven years.

190. You have already stated that there was some objection to a settler transferring and getting a considerable profit for his holding?—It has been questioned at the Board. The Board thought he was getting rather much for the goodwill, and questioned the ability of the incoming tenant to carry on.

191. In your opinion, as a member of the Land Board, is not that the best evidence possible that settlement is a success?—Certainly.

192. If it were the other way, and a man was selling out for less than his holding had cost him, would it not go largely to prove that the settlement was a failure?—Most decidedly.

193. By these two extremes you then can estimate the success or otherwise of a settlement?—Yes.

194. And, as you or Mr. Reid wisely put it, it does not matter so much to the State whether A sells out and B succeeds him so long as B is a good man?—So long as the State gets a good tenant the State loses nothing.

195. And the tenant who leaves with increased capital is better fitted to battle with the difficulties standing in his way as a settler?—That is so.

196. I suppose you are aware that when the Land Board decides any particular matter there is no appeal from its decision?—So far as I am aware, there has not been.

197. Do you not think that should be amended: that if a settler has a grievance and thinks that his case has not been settled in equity he should have the right of appeal from the decision of the Land Board?—I have never heard any grumbling so far as this Board is concerned. It has always decided cases fairly.

198. But when you know that the Board can exercise an arbitrary power such as I have stated, do you not think there should be some safety-valve in the way of an appeal?—Yes; I certainly think it would be but fair.

199. Have you had any experience of the Advances to Settlers Board?—No. I have heard a good deal of grumbling, but I have never had anything to do with it myself.

200. It is proposed now to amend the Act in this way: that instead of limiting the Advances to Settlers Board to lending up to one-half of the Ranger's value of the improvements on a holding, the limit should be increased up to three-fifths—that is to say, if a man has improvements to the extent of £5 per acre on his holding he should be entitled to borrow £3 for permanent improve-

ments: in your opinion, would that meet the requirements of the settler without causing the State to run any risk?—Yes; but I think I will not place the responsibility altogether on the Ranger. I think one or more members of the Board should assist the Ranger in putting a value on the improvements.

201. Are you aware that at the present time, if an application is made for a loan, the Board first of all takes the report of the Ranger, and then the District Valuer puts his value on the improvements, but that always the Board takes the District Ranger's opinion about the improvements as they stand on the section?—I quite understand that. I am not finding fault with the Ranger's value, but I think it would take a good deal of the responsibility off his shoulders.

202. *Mr. McCutchan.*] In speaking of goodwill, where a Crown tenant sells out you expressed the opinion that if the incoming tenant is suitable the Board should approve of the transfer, and that the question of goodwill should be left between the vendor and the purchaser?—Yes.

203. Then, you are of opinion that any increase in the value of the land belongs entirely to the tenant?—Yes. I believe there is no such thing as unearned increment. If I have improved the property, all increase arising therefrom is my doing. I have seen land much dearer in North Otago than it is to-day. The value of land fluctuates—it may increase in value or it may not in the next thirty years; and if a man improves his holding and takes a pride in doing so—of course I look on the 999-years lease as a freehold practically—I think that man is entitled to all the enhanced value in that property if he wants to sell out.

204. It has been proposed in certain quarters that leases for 999 years issued in the future should be subjected to a revaluation clause: would you be in favour of that?—No; I am against it.

205. Do you think it would be prejudicial to the settler?—I do.

206. In dealing with the lands-for-settlement leases you said the tenants were not advocating the freehold, and you stated that if they got the right of purchase not 5 per cent. of them would have 25 per cent. of the purchase-money available?—I know perfectly well they could not do it unless some one came to their rescue.

207. If it were permissible for them to pay off a certain sum from time to time and get a proportionate reduction in their rent until the capital value was paid off, would you be in favour of the freehold under such conditions?—I am not in favour of paying off the whole of the capital value. I would not be opposed to the tenants reducing their capital indebtedness to one-half or two-thirds, but I am not in favour of getting a Crown grant. I think the State should still retain a royalty in the land.

208. Does your opinion on that point apply to land under the Land for Settlements Act or to all lands under the Crown?—In both cases.

209. You do not approve of the right of purchase?—I do not approve of the right to purchase right out.

210. You think, then, that the right-of-purchase clause should be eliminated from the Act of 1892?—I think so.

211. Do you think that the tenants under the Land for Settlements Act and the tenants under the Act of 1892 should be placed on the same footing—that is, that the State should simply charge them interest upon the cost of the land to the State?—I have not studied that question.

212. You have had no experience of that?—No.

213. You stated that you have had no experience of the Advances to Settlers Department?—None, except that I have heard people complaining about delay in advancing and the small amount advanced.

214. As a member of the Land Board, have not applications to come before you for the sanction of the Board?—Yes. There have been one or two cases since I have been a member.

215. And has the sanction of the Board been given in those cases?—Yes.

216. *Mr. Paul.*] You are a leaseholder under the Land for Settlements Act?—Yes; I hold a square mile.

217. Do you feel that you are anything in the nature of a slave?—No. I am as independent as ever I was.

218. Have there been many cases of settlers selling out and obtaining money for their goodwill?—A few places have changed hands.

219. How long after taking up the land?—One case that came before the Board last week in which the doctor recommended the settler to remove on account of illness. In that case the transfer was granted, although the tenant had not been the specified time in possession. In the other cases the tenants had been the specified time in possession before asking for a transfer.

220. In any case that has come under your notice has the outgoing tenant received in goodwill a larger sum than he spent on improvements?—In all cases they have received a certain sum for goodwill over and above the value of their improvements.

221. Then, they are really getting something for nothing?—They are not getting it for nothing. They have had to improve the land.

222. But they got something for the goodwill?—You must bear in mind that land has been enhanced in value in this district because creameries have been put up, and facilities are available that were not here ten or twelve years ago.

223. Does that not look a little like unearned increment?—It may be or it may not. I do not think so. If it is the settler is entitled to it.

224. Then, you instanced the case of a tenant who got his land at a moderate rental, and you said the incoming tenant had been prepared to pay more in the shape of goodwill in that case?—Yes.

225. Do you not think that some of that should have gone to the State?—No. That man ran the risk when he took the section up of prices going down.

226. Land increases and decreases in value, according to your experience?—Yes.

227. Do you not think that if the land decreases in value the tenant should have his rent reduced?—No; I am not in favour of revaluation. I think if a man enters into a contract with

a private landlord he has to stick to it, and he should do the same with the State. There may be exceptional cases.

228. What would you do in exceptional cases?—The same as the Commissioner of Crown Lands does now. In the event of any disastrous accident, such as snow-storms overtaking the tenants, it is within the discretion of the Commissioner to allow a rebate in the rent.

229. And what would you do in the exceptional cases the other way, and in cases where a tenant has got his land too cheap?—Then, he is lucky in getting it.

230. The State should lose that?—The State does not lose anything, but perhaps his neighbour loses it.

231. *Mr. Forbes.*] Is a tenant who wishes to cut out the goodwill of a section examined as to the amount of money he possesses?—I have not seen any examined as yet, but I would not examine a man according to the amount of money he has got, because a man with experience is better in many cases than a man with no experience but some money. The best settlers have been men with experience and very little money.

232. Would you say that before the original tenants go on these lands the Government places rents on the sections which will enable the settlers to make a fairly reasonable living?—Yes.

233. If the tenants then sell out and other tenants come in and buy the goodwill, and have to mortgage themselves to a very large extent to do so, thereby doubling their rents, do you not see any danger in the future that a large number of the tenants under the Land for Settlements Act may become hopelessly involved financially?—I see no danger of the State losing anything. There are any number of mortgages on the sections now, but I think a man knows enough to judge whether any bargain he makes will pay him.

234. You do not think there is any call to keep the tenantry of the Crown in a prosperous condition and free from mortgages and heavy interests and rack rents?—I do not see it. If I want to buy out my neighbour it may be supposed that I will make the best bargain I can. If I think his place is worth £1,000 I give it, though another man may not think it is worth £500, and I think the owner of the place is entitled to sell so long as I am willing to give him £1,000 for it.

235. Is it not possible that the tenants instead of paying a reasonable rent for these sections may have to pay that rental, and a large amount of interest on mortgages as well, and so make them struggling settlers?—It is possible that they may come to be struggling settlers, but I think that is only looking for trouble.

236. Do you know of any instance of that?—No. I have known instances where I thought men were giving a ridiculously high price for the sections, but they have sold out at a profit also.

237. If things come down the men who give big prices for the goodwill will become struggling settlers?—I have known cases where men gave good prices for the goodwill, and then they came to grief through things coming down.

237A. The Board had a provision at one time objecting to excessive goodwills, had it not?—I think so, but not since I have been a member of the Board.

238. You have never raised any objection to fancy prices being given for the goodwill?—I think the transfers have all been granted with one exception, and that was before I joined the Board. There was some misrepresentation in that case.

239. Do you not think that a great many settlers have secured choice sections at a much lower rental than they ought to be paying?—Yes.

240. Do you not think the State would have a better chance of arriving at the proper value of these sections if they were put up to auction instead of by ballot?—I am entirely against auction, because in the excitement people bid against each other and run up to ridiculous prices. I think the system of balloting is a very fair one, but I am entirely against the present method of grouping sections. I think there should be a straight-out ballot.

241. You examine tenants as to their financial position now?—Yes.

242. *Mr. Anstey.*] Can you tell me whether these settlers labour under any disadvantage in getting loans from private people owing to the nature of their security?—I know settlers who have got money from private firms, and they have had no trouble in getting it.

243. Are you aware that before a private firm can get any security for the loan from the settler that security must be indorsed by the Minister of Lands?—Yes. Any case of that kind has been recommended by the Board to the Minister.

244. The process is that the application comes before the Board first, and the Board recommends the Minister to grant it?—Yes. A great many settlers get accommodation from agents without appealing to the Land Board at all.

245. I am speaking of loans for which security is given: are you aware whether that has any particular disadvantage in raising a loan as against any other form of tenure—for instance, the freeholder would not require to do that?—No.

246. Is there any particular reason why that form should be insisted on? If a man has property in a leasehold, why should he not be able to mortgage it the same as a freeholder?—You have got to protect the State in some way. It protects the man who lends money, rather.

247. In what way?—If the Board sanctions a loan, then the man who lends the money can hold the estate in security. If the sanction was not given no loan would result.

248. Is there any reason why the tenants should not give that security without having to ask the permission of the Land Board, or any one else?—I have no objection to that. I have not thought of it.

249. You are well acquainted with the settlement on the Tokarahi?—Yes.

250. I suppose you know every case where a settler has dispensed with or in any way left his holding?—Yes.

251. Are you quite certain that in every case where a man has dispensed with his holding he has dispensed with it to some advantage?—In the case of one man I am not sure whether he

sold to advantage or not, but within the last few years anybody who has sold out at Tokarahi has sold out to advantage.

252. Would it be correct for any one to say that settlers had abandoned their holdings?—No. I never heard of such a thing.

253. You said just now you are in favour of allowing the tenants to pay off part of the capital value of their sections?—I have no objection.

254. Supposing a tenant elected to pay off, say, half of the purchase-money, would it be easier for him to dispense with his interest in the leasehold after paying off half or before he did so?—I do not think he would have any trouble in selling either way. He could sell just as easily with part paid off as he could now.

255. *Mr. Johnston.*] How long have you been a member of the Land Board?—Since October.

256. Do you know anything about the leasing of Puketoi Run?—I know nothing about it.

257. Do you not think that the Central Otago settlers are entitled to a representative on the Land Board?—I certainly do. I would go further, and I would say that I think it is but right that there should be quarterly meetings of the Board at Cromwell or Naseby, to give the people there a chance of appearing before the Board, instead of having to get agents in town to appear for them.

258. None of the present members of the Land Board have lived in Central Otago?—No.

259. *Mr. Matheson.*] There are Crown lands offered for occupation away back in the forest, which necessitates a man going in and living with his wife and family in loneliness. In many instances the upset price is £1 per acre, and a settler perhaps improves his land to the extent of £4 per acre: would you object to giving him the right to acquire the freehold of his land after he had put such heavy improvements on the forest land and opened up the country?—Certainly not. I am quite in favour of giving the freehold in such a case. I still maintain that the law should be different in the North Island and in the south of this Island, because I think the people who go into bush lands and fight their way are entitled to the freehold. I consider it is quite a different thing from a man taking up land in this district. Here he has only to yoke up his horses and take off a crop of wheat. So far as the runs are concerned, I may say the Board has been doing its utmost to try and classify the runs to the best advantage. If you take the low country away from them the rest of the runs will be left on the hands of the Crown, and it will take a great deal more than the rent of the low country to keep the rabbits down.

260. *Mr. Hall.*] You say that a man holding a leasehold is entitled to any unearned increment that may arise?—Yes.

261. Is that for the reason that in taking up a section he runs the risk of getting an inferior holding, and also that he runs the risk of land coming down in value, and to provide against that he should have the benefits of any rise?—Yes, and from his own industry.

262. Are there many cases of tenants taking up land who, through incompetence or want of knowledge of farming, or want of sufficient means, have turned out failures?—I do not think there are any cases of that kind in our district. The land is there for them to start and work upon.

263. Some people earn their experience when it is too late?—We have all got to pay a little for our experience.

264. *Mr. McLennan.*] Do you know of any Crown land or other runs in the North Otago district that is fit for cutting up for close settlement?—Yes.

265. Would you mind naming those that are fit for close settlement or small grazing-runs?—There is the Coridale Estate, belonging to an absentee owner. It is about fourteen miles out of Oamaru, up the Waireka Valley.

266. Do you think there would be a good demand for that land if the Government were to purchase that estate and cut it up into fair-sized farms for settlement?—I am confident there would be a dozen applicants for every section, because there has been a good deal of agitation for some time to get this estate. I know this estate because I cropped on it for twenty years, and for many years I did a good deal of contract farming there. It is much better than any stranger going into the district would think.

267. Is there any other estate, held under the Crown or in private hands, that wants to be cut up for closer settlement or into small grazing-runs?—There is a bit of an agitation to get the Otekaike Run cut up for closer settlement by the people about Duntroon.

268. As a farmer and as one who thoroughly understands both pastoral and agricultural work, do you think it would be advisable for the Government to acquire the freehold of that estate which does not now belong to the Crown?—I think it would. There has been a very successful settlement on the Otekaike adjoining it, and another successful settlement on the southern side, at Maerewhenua. I do not see why it should not be successful.

269. Do you think it could be cut up so as to give a proper proportion of winter country to summer country?—I have no doubt but that it would. I have not been over the high country.

270. I suppose you know the high country goes up to Dandy's Pass, about 6,000 ft. above sea-level?—Yes; I have been through there.

271. The low country, of course, is only about 900 ft. high?—I am of opinion there would be a lot of this high country sought after by the small farmers surrounding the place, providing the residential conditions were not insisted upon.

272. You think it is advisable to acquire the freehold of that estate to enable the Crown lands to be cut up into smaller areas?—You would have to acquire the freehold. I would like to mention a grievance that I have been asked to bring before the Commission. As things stand at present the occupier of a small grazing-run is debarred from applying for a lease in perpetuity, but a man who holds a lease in perpetuity can apply for a small grazing-run. Now, I know instances in our district where men are living on small grazing-runs far away from schools and post-offices, and I think it is only right they should be permitted to acquire a lease in perpetuity in close proximity to where they live, so that they may get their children educated at the nearest school.

273. Would you be in favour of those who have a lease in perpetuity being allowed the privilege of cropping a part of their holdings for winter feed?—Yes, if the ground is suitable. Some of these people are at a great disadvantage through not having any ground on which to grow winter feed. I think the privilege should be extended to them.

WILLIAM DALLAS examined.

274. *The Chairman.*] You are a member of the Land Board?—Yes. I have been a member for sixteen or seventeen years.

275. You are also a farmer?—Yes, I was a farmer to within the last five years. I was thirty-seven years in the Clutha district. I started with 200 acres, and when I sold out I had 1,450 acres. My land is all freehold.

276. What is your opinion about tenures generally?—I think that deferred payment was a very good system for Crown land, and I think perpetual lease also a very good system. Of course, lease in perpetuity is very good too. A man can take up a section under lease in perpetuity when he could not buy the freehold.

277. Do you think lease-in-perpetuity tenants should have the option of making their places freehold?—I think it would be to the advantage of the State in regard to Crown lands, because all the best land of the State has gone now, and I think if the tenants got the option of the freehold they would improve the poor land now left more readily. Of course, they should also have the option to continue under the lease in perpetuity if they wish it.

278. With regard to estates purchased under the Land for Settlements Act, do you think the tenants should have the right of freehold there?—I do not think they should be allowed to buy out altogether, but I think it would be a very good thing if they had the right to pay off, say, half the purchase-money. My reason is that under present circumstances we may have a hail or snow storm, and, of course, we are applied to as a Land Board for a rebate of rent. While we are anxious to help the settlers who really require assistance and who have suffered losses, I have not the slightest doubt in my own mind we are often taken advantage of, and the tenants get a rebate they are really not entitled to. If half the capital value was paid off and a bad season came along they would be able to pay their rent very well. I know that objection is taken to that, and it is said, "Well, you can have your half and I will take mine." But a contract is a contract, and I do not see that it should be broken.

279. In other words, if the contract is to be broken between the tenant and the Government there should be a reconsideration of value, and so forth?—Certainly.

280. In regard to the administration of runs, can you give the Commission any information as to how you think they should be dealt with?—It seems to me the only way is to cease taking away any more of the low country from the high country, as soon as only sufficient low country is left to properly work the high country. Otherwise the high country will fall into the hands of the Government and the rabbits, and it will be a serious affair. I know there is a great agitation to cut these runs up into smaller areas, but I am very doubtful how they will get on. I know that this season we have taken 20,000 acres of a run with a view to cutting it up into three or four small grazing-runs, with the result that we have not been able to get the balance of the run let. It is lying there, and I am sure that will be the result generally if this course is followed.

281. Where is this run?—It is Rocklands. What we took was adjoining the land taken from Patearoa, and these 20,000 acres were available for putting hoggets on and the like of that. Now they are afraid they cannot hold the run to advantage, and there has been no bid for it.

282. *Mr. McLennan.*] Could the high country be cut up into small grazing-runs?—No. It could not be done to advantage.

283. *Mr. McCardle.*] You have had a long experience on the Otago Land Board?—Yes.

284. You are aware of the different conditions under which persons can apply for land: you are aware there is a condition that if a settler acquires a section and then finds there is not sufficient to maintain him and his family, he can take up any vacant adjoining section, but that if he is divided from the vacant section by another section he is unable to do so?—Yes.

285. Do you not think it is a great hardship he should be debarred in that way?—Yes. I think if a section is within workable distance of his holding he ought not to be debarred from holding sufficient land to maintain himself and his family.

286. *Mr. Paul.*] You approve of selling the remainder of the Crown lands?—If the tenants want a freehold I think it would be no harm to give it to them.

287. Is that because the remaining Crown lands are worth very little?—Yes, and because I think they are more likely to improve them better.

288. Do you approve of the principle of parting with the freehold of Crown lands?—So far as I am personally concerned I would just as soon have a lease in perpetuity, because I look upon it as the freehold. But I know a great many do not view it in that light. There is a certain amount of sentiment about the freehold.

289. Is there anything in the leasehold system which prevents you being a good farmer or getting the utmost out of the land?—No.

290. From the point of view of the State, do you think it is wise to give the freehold?—I do not think it would be against the interests of the State to give the freehold of Crown land, but, of course, I would not be in favour of giving the freehold right out to the land-for-settlements holdings.

291. Do you not think there is some slight inconsistency there? Should there not be some underlying principle governing this matter?—I look upon it that the Government has bought these land-for-settlement estates in order to closely settle the people, and I regard them as being in a somewhat different position to the ordinary Crown lands.

292. You do not approve of the Government buying the same land over and over again for close settlement?—No.



293. *Mr. Forbes.*] Do you think the present constitution of the Land Board to be most satisfactory, or do you think it would be better if the Crown tenants had an elected representative on the Board, allowing the Government to nominate the majority of the members?—It could do no harm. I may say we have a representative of the Crown tenants on our Board now, and when we come to business I do not see there is any difference because of his presence with us.

294. Do you not think it would be a safety-valve in the event of any great dissatisfaction amongst the tenants? If they alleged that there was any hole-and-corner work going on, could you not point out, "You have your representative on the Board to see that things are done fair and square"?—I do not see that there is much in that, because we have always been very glad to hear anything they had to say.

295. Do you ever get any private instructions from the Minister in reference to Crown lands?—No.

296. You are not interfered with in the slightest degree so long as you are carrying out the law in reference to Crown lands?—No.

297. In reference to the ballot system, do you favour the present system of grouping?—I believe in the ballot, but not in the grouping. I have heard many say that they would not go in for the ballot on account of the grouping. I think it is far better to let a man get the section he wants, and not hold him to any section whether he likes it or not.

298. Do you take a man's financial position into consideration when he applies for a section?—We have to pass him for the ballot, and if the grouping was done away with we could pass applicants for sections of a certain value, and tell them they could go in for such-and-such sections that we consider they are capable of properly working. I fail to see why the same object could not be arrived at in that way instead of by grouping the sections.

299. You would classify your applicants according to their financial means and experience?—Yes, I think that would be preferable.

300. *Mr. Anstey.*] You expressed the opinion that those who take up Crown lands should have the right of purchasing the freehold?—Yes.

301. Is that because the land is not very valuable and requires a large amount of money being spent on it for improvements?—A large number of people have a feeling that they would like the freehold. I myself would as soon have a lease in perpetuity.

302. Does not that apply exactly the same to people under land for settlements—they would like the freehold also?—I would not be against them getting, perhaps, from half to two-thirds freehold, even, under the land for settlements.

304. Supposing you give the right of purchase would it not probably turn out that all the best sections would be bought and all the inferior be left on the hands of the Government?—I would not let them be bought out altogether.

305. Is there any objection to the tenants having some representation on the Land Board?—No; I do not see any.

306. Would it give the tenants more security or confidence?—I have always heard the tenants here express satisfaction with the way they are treated by the Board.

307. Supposing you had a hostile Government nominating members to the Board more or less hostile to the small-settlement policy that has been pursued, what would be the position then?—I do not see that it would make a great deal of difference, because if they had only one representative out of five members he would not carry anything by himself.

308. We have been told that the holders of small grazing-runs are not allowed to crop?—We have never made any objection to the holders of small grazing-runs cropping. Our Board lets many small pieces of Crown land adjoining settlers' sections—lets the land to the settlers. We are allowed to do that on annual lease under clause 116.

309. *Mr. Matheson.*] Can you suggest what harm it would do the State to give those who wanted it the freehold, seeing that the State would receive from them all it had expended, and would still retain the power of taxing the land?—I do not suppose that would be against the interests of the State if they got the freehold.

310. Would the State not have done what it wished to do—it would have taken the land to put more settlers on it?—Yes.

311. *Mr. Johnston.*] Were you on the Land Board when Puketoi was re-leased?—Yes.

312. Why was it re-leased?—As far as I can remember, there was no agitation at that time to have it cut up.

313. Do you believe in these runs being cut up?—Wherever they can be cut up to advantage, but I am very doubtful about most of them just at present. Stock is high.

314. Could Puketoi be cut up to advantage?—I am very doubtful. It has been one of the best-managed runs in the district. It has not been overstocked.

315. Do you know that it is one of the most suitable runs in Central Otago for cutting up—that is, according to the opinion of the people?—We have cut up some runs, and they have not been a success sometimes. It all depends on how things are at the time. At present wool and stock are high.

316. Was Patearoa a success or not?—It has been a success so far, but has only been newly opened. If wool goes down I am doubtful whether it will be a success.

317. Is Patearoa higher country than Puketoi?—There is very little difference.

318. Do you recommend any other runs in Otago to be cut up?—There are several runs that could be cut up, I believe, if there was low country for the high country. I suppose Blackstone Hill, taking it by itself, could be cut up.

319. Do the large runholders live on their property?—There are not many of them who live on their runs.

320. Do you not think there should be a representative from Central Otago on the Land Board?—I do not see any objection to that.

321. Do you favour the Board being increased in size?—I do not think there is much need for that, but perhaps it would do no harm to have one or two more members.

322. Do you not think it would be better to cut the district into wards and have a representative nominated from each ward?—There is no reason why that should not be done.

323. Would you favour the Waste Lands Board taking over educational endowments, and doing away with the School Commissioners?—I am a member of both bodies. I do not see that it would make much difference.

324. Do you think the Land Board could deal with the land as effectually as the School Commissioners?—The School Commissioners can do what the Land Board cannot do. For instance, if a flood does some damage we can by resolution give the tenant rebate of a quarter- or half-year's rent, but the Land Board cannot do anything of that sort.

325. Supposing the Land Board had the power?—I do not suppose the Land Board could attend to the endowments at a much cheaper rate than the School Commissioners.

326. Does the Land Board keep its area of land free from noxious weeds?—As far as possible.

327. Do the School Commissioners do the same?—Yes. We have had some complaints to-day from the south stating that ragwort is spreading a little, and we have asked them to clear it.

328. *Mr. Hall.*] You have said that those holding land under lease from the Crown should be allowed to pay off part of the purchase-money?—Yes.

329. That would be for several reasons, but principally to give them a stake in the country?—Yes. Of course, freeholders get no assistance from the State. If one-half of the purchase-money was paid and if a bad year came the leaseholders are not so careful as the freeholders, who lay by something for a rainy day.

330. I suppose instead of investing their savings in some outside way they would invest them in their holdings up to a certain limit?—Yes.

331. You are one of the School Commissioners: may I ask if your endowments are revenue-producing?—Yes, except a few small township sections. I think the Government ought to exchange these sections and give the School Commissioners land of equal value in another place.

332. Where there are endowments not revenue-producing, do you think it would be a good thing to allow the sale of those endowments and invest the money?—Yes, or exchange it for more suitable land.

333. Would it be an improvement if all endowments, including harbour, municipal, and university endowments, were vested in the Land Boards?—I do not think it would make a great deal of difference. The settlers on some of the School Commissioners' land are hardly treated fairly. We have no power to give "thirds" and "fourths," although we have no objection to giving them. I think the School Commissioners should be in the position of giving "thirds" and "fourths" the same as the Land Boards.

334. *Mr. Anstey.*] How do you account for the fact that the Land Board has not as much power as the School Commissioners in the administration of their land?—I know it is so. The School Commissioners, for instance, have passed a resolution to give valuation for plantations, open drains, and for grass—of course, it only means grass one or two years old.

335. You said you thought it would be a good thing to allow lease-in-perpetuity tenants to pay off a portion of their holdings?—Yes.

336. Would you be prepared to give the same concession to the tenants of School Commissioners?—That land has been set apart for a particular purpose, but I do not see much objection to giving them the same right.

337. Would you extend the same right in respect to municipal and harbour reserves?—I have not had anything to do with those endowments.

338. Would you give it to tenants of private landlords?—I do not think the State should interfere in that matter.

339. *Mr. Paul.*] Is the administration by the School Commissioners of their lands more or less economical than the Land Board's administration of their lands?—I am not in a position exactly to say. I do not know what the Land Board costs. I know that the expenses of the Commissioners are very reasonable—about 5 per cent. I think that is very reasonable; but I do not know what the Land Board cost is.

340. *Mr. Johnston.*] Five per cent. of the revenue or the capital value?—Of the revenue, of course.

#### DONALD BORRIE examined.

341. *The Chairman.*] What are you?—I am a member of the School Commissioners Board, and have been so for six years. I am a farmer in the Papakano district, and I farm, between freehold and leasehold, 2,200 acres. I have been a farmer all my life, and have been farming on my own account forty years.

342. Have you given attention to the constitution of the Land Boards?—I think the present system is as it should be. I do not think the tenants should have much say in the constitution of the body that is going to look after the interests of the country in this respect. I feel very strongly on that point.

343. What is your opinion about the tenures—for instance, as to the lease in perpetuity?—I think the lease in perpetuity has been successful so far. In the Oamaru district the Government has taken over a large number of estates, and in all cases they have been very successful.

344. On the broad question of freehold and leasehold, what is your opinion as to which system is the best for advancing the country and satisfying the settlers?—In my opinion, the freehold is the best. The country would never have been settled if it had not been for people coming out here to get a bit of land of their own.

345. Would you extend the freehold tenure to the land that you now administer as one of the School Commissioners?—No. That land has been set apart by Parliament for a specific purpose, and I do not think it should be interfered with.

346. *Mr. McLennan.*] Is there any agitation amongst Crown tenants for the freehold?—There is no strong agitation as far as I know. I believe the only agitation amongst the people of North Otago is from the Farmers' Union?—Not at all. The Farmers' Union does not care a snap of the finger about it.

347. The proof of what I say is correct is shown in this: There was a meeting of the Farmers' Union executive last year, and it was carried by eleven to one that the Crown tenants should get the freehold, and the one that voted against it was a Crown tenant himself; therefore I presume that the Farmers' Union is very anxious that the Crown tenants should get the option of the freehold: is that not so?—I think you have been wrongly informed. There is no doubt that matter has been discussed at various meetings, but the pressure has come from the Crown tenants, and not from the Farmers' Union.

348. It was practically unanimously agreed at a meeting of Crown tenants that they were dissatisfied?—Not quite. It was engendered into the minds of the meeting that in the event of their getting the option of the freehold there would be a revaluation, and, of course, the Crown tenants to a man would object to that. I have spoken to many tenants who were present at that meeting, and their invariable opinion has been that if they could get the freehold at the present valuation they would go in for it to a man, but not simply to get the option of the freehold at a revaluation probably from 50 to 75 per cent. over the present value.

349. I was present at the meeting, and have a different impression as to what was the feeling?—I formed my impression from what was said to me by Crown tenants who were present.

350. During the passing of the Land for Settlements Act were you, as a freehold farmer, in favour of it?—I never gave it any consideration.

351. Were the freehold farmers in favour of it?—I could not tell you.

352. Seeing that there is so much agitation amongst the Farmers' Union, do you not think any agitation should come from the tenants first?—Decidedly.

353. Then, why did the Farmers' Union canvass for it?—I am one of the executive of the Farmers' Union, and I am not aware that they have done so. At the first meeting of the Farmers' Union, held at Milton, the question was brought up, and it was dead against the Farmers' Union having anything to do with the matter. I argue that if the Crown tenants wanted the right of purchase the agitation ought to come from them, and not from the Farmers' Union.

354. But there was a canvasser who came and asked me to sign a petition in favour of the freehold?—He was not authorised by the Farmers' Union to do so.

355. *Mr. McCordle.*] Are you in favour of granting the freehold to land-for-settlement settlers?—I am in favour of giving the option to practically secure the freehold—of allowing a number of tenants to put in their savings and reduce their liability. I think I have fairly good reasons for suggesting that.

356. You said you are not in favour of granting the freehold in the case of lands administered by the School Commissioners, because they are set aside for a particular purpose?—Yes.

357. Do you not think the land-for-settlements land is set apart for a particular purpose—namely, for close settlement?—Yes.

358. Then, if you grant the freehold would not the tendency be towards large holdings?—No, because the land is too valuable to do anything of the sort.

359. You know very well, as a practical man, that the *pro rata* expense of working large farms is less than for working small ones?—*Pro rata* the amount derived from a small farm is very much larger than that derived from a big one.

360. It is just the price of his labour?—No; not at all.

361. Does the small farmer get well paid for his labour?—Yes. I never saw a big estate bring in revenue *pro rata* as in the case of a small farm.

362. I suppose you are aware that there are acres and acres of School Commissioners' land covered with ragwort and Canadian thistle?—I have never seen any ragwort; but I have not been down south at this season of the year for some years past.

363. *Mr. Paul.*] Do you approve of the system of putting leases up to auction at the end of the term?—We are administrators of the law as passed by Parliament.

364. You do not care to express an opinion?—I do not mind expressing my opinion. I do not believe altogether in the ballot, because the ballot is a thing of the past.

365. Do you think the leases granted by the School Commissioners are long enough?—They are what the law allows. In some cases they are for fourteen years, but the bulk of them are for twenty-one years.

366. Do you think that a longer lease than twenty-one years would be against the interests of the educational endowments?—You do not know what the value of land may be in twenty-one years hence. It might be wanted for closer settlement.

367. One or two witnesses demanded that they should have their holdings changed to lease in perpetuity: do you think that would be against the interests of the endowment?—Yes; decidedly so, without revaluation.

368. Do you favour revaluation?—I would not be in favour of granting our educational endowments on lease in perpetuity without revaluation.

369. What is your opinion of the principle of revaluation as applied to future leases under lease in perpetuity?—I have not given that matter much consideration. The lease-in-perpetuity settlements in my district are all successful.

370. One or two witnesses have said the School Commissioners are very loth to contribute towards roading?—The law will not allow us to give grants to local bodies for roading, and we are not going to break the law and have to refund the money out of our own pockets.

371. Do you think the law might be altered to advantage?—I have not the slightest objection to the law being altered.

372. Some witnesses have said that you compelled them to leave the whole of their leased land

in grass at the end of the term?—Yes; it is almost a universal thing with private landlords to include such a condition in their leases.

373. Taking everything together, you think your leases are at least as liberal as they ought to have from a private landlord?—Very much more so. I lease 1,200 acres myself, and have done so for over twenty-one years.

374. I suppose you have not got the right of purchase?—No.

375. *Mr. Forbes.*] Do you not think the work of the School Commissioners might as well be done by the Land Board—you have separate officials?—We have a Secretary and a Ranger.

376. The Education Board of Otago gains nothing beyond that of other Education Boards through having this endowment?—That is so.

377. The revenue from this endowment is thrown into the common fund for education?—Yes.

378. There is no reason why the endowment should not be administered the same as other Crown lands?—As the law stands now it would make very little difference to education in Otago if these endowments were all made Crown lands, but you cannot tell what may occur in the future.

379. You think something might happen in the future?—I am not a prophet nor the son of a prophet, and I cannot tell what may happen in the future.

380. As a business-man, do you not think it could be done away with?—You might do away with the Land Board, but I do not think you could do away with the other.

381. Our experience, travelling through the country, was that the tenants under the School Commissioners appeared more discontented than those under the Land Board. One man told us that the rabbits were not so bad as the School Commissioners, who were keeping the land back?—What public body that has eight or nine hundred tenants can you name that has not some discontented tenants. I belong to North Otago, and I do not know one tenant there who is not entirely satisfied, and they are paying higher rents than the tenants down south. You have had the evidence of the agitator, and the reason for that is that you do not summon witnesses, but you notify them that any one who pleases can come and give evidence, and naturally the agitators are those who come.

382. Do you not think it is a strange thing that you do not find such widespread dissatisfaction among the Crown tenants? How do you account for that?—I do not account for it at all.

383. Do you not think that the administration of the Land Board is more satisfactory than that of the School Commissioners?—I do not think so.

384. Do you not think that the amount of dissatisfaction there is with your administration shows that they would prefer to be under the Land Board?—I do not admit that there is widespread dissatisfaction. There are a few out of the eight or nine hundred tenants.

385. We met witnesses who thought they would like to be under the Land Board, but we did not meet any witnesses who said they would like to go under the School Commissioners?—That may be so.

386. *Mr. Anstey.*] The fact that there is a certain amount of dissatisfaction amongst the tenants would simply go to show that the administration of the Commissioners is for the estate, and not for the tenants?—I am sent to administer the school reserves in the interest of education, and not in the interest of the tenants at all. Of course, they get fair treatment, but an educational endowment was never set aside in Otago purely and simply in the interests of tenants.

387. You administer these estates on behalf of the landlord?—Yes, and treat the tenants as liberally as the law allows.

388. You said that the country would never have been settled so well under leasehold as under freehold?—At the time it was settled. The grand old men, the pioneers, would never have come out to New Zealand if they had known that they could not get a bit of land of their own.

389. Do you think the later settlements under lease would have been more successful if under the freehold?—Do you mean the lease in perpetuity?

390. Yes?—No, I do not. I think the lease in perpetuity is the right thing for settling the large estates.

391. You think that the leasing system is the better system for settling the people on the land?—No, I do not. I said that if you could purchase land from the Crown the freehold was the best; but where large estates were bought by the Government for land-settlement, the lease in perpetuity enabled the man with small means, who otherwise could never get on the land at all, to take up a farm.

392. You think the leasehold system is the best for them?—Yes.

393. Settlement has gone on quicker because of that?—I cannot tell that, but there is no doubt it has been a good thing for that class of men.

394. Are you in favour of allowing these leaseholders under the Land for Settlements Act to acquire the freehold?—I think they might be allowed to put their savings towards lessening their liability.

395. On what terms would you allow them to acquire the freehold—the present or the original valuation?—The present valuation was the original valuation.

396. Oh, no. You are aware that many are selling out the goodwill for large sums?—I do not see the point.

397. Supposing the original value of the land is £5 an acre, and it in time increases to £7 per acre, would you allow a man to acquire the freehold at the original value of £5 an acre or at £7 an acre, the value at the time the freehold is given?—I did not know that there was any difference. The original valuation is the valuation on which he pays his rent.

398. You know that scores of farms have been sold at a large amount for the goodwill. You said that the present value of those lands was 75 per cent. higher than when they got them?—I did not. I made no such statement. What I said was this: that the Government tenants objected to have the freehold at a valuation in the future that might be 50- or 75-per-cent. increase.

399. You think the valuation might go up to 75 per cent.?—It may go up to 100 per cent. before the thousand years expire.

400. Very well, then, are you in favour of giving the right of purchase at the original valuation, or would you insist on their paying the value at which the lands are at the time they purchase, say, when they went up 50 per cent.?—At the present time I think it is only fair to give it at the original value, but forty years hence the circumstances may have very much altered.

401. At the present time you would give it at the original value?—Yes.

402. How long should that continue?—I cannot say. You cannot say what the circumstances will be in the future. Let the future take care of itself.

403. *Mr. Johnston.*] You are in favour of the freehold?—Yes.

404. You are not inclined to give the School Commissioners' lessees the right to purchase?—No, not while they are educational endowments.

405. Do you not think that these endowments are held by you in precisely the same manner as the Crown lands are held by the Government?—No.

406. Why?—They are set aside for educational purposes.

407. Are the other not set aside for the people?—I do not know. They are set apart for the use of the State.

408. Supposing more could be got out of the land under leasehold than under freehold, you would advocate the leasehold?—Not altogether.

409. Boiling it down, it comes to that?—Not at all. People want to have a home, and sentiment comes in. That is half of life in this world.

410. There is a great deal more of pocket?—No, I do not think so. I have made a home myself, and I would not sell it for three times its value.

411. Do you find that the tenants do justice to the farms?—Not by any means in some cases.

412. Are you trying any means to force them to do justice to the land?—They require to be supervised.

413. Would an alteration in the tenure effect it?—I do not know that it would.

414. Would giving them the right of purchase do it?—I do not think so. A man who would abuse land under one tenure would do it under another.

415. Are there any of your reserves gridironed with freehold land?—I think there is some about Waikaia, but, as a rule, they are not.

416. Would it be advantageous to you to acquire the freehold?—I know of no case where there is a freehold frontage that blocks the outlet. I do not say that there is not, for, personally, I have not been over all the educational endowments in the vicinity.

417. Is your own country high?—No, quite low.

417A. Do you know anything about grassing these high countries?—Very little.

418. Does the Board you represent insist on any particular way of grassing the high country?—They do not insist on grassing it at all.

419. What do you propose doing with it?—The question has never cropped up.

420. Do you not think it is mandatory?—I do not think it is.

421. Is your revenue increasing or decreasing?—I really do not know.

422. *Mr. McCardle.*] If it came to a matter of giving the freehold, the price would have to be fixed according to the value of money at the time the lease was granted?—It would only be right it should.

423. For instance, what is the value of money to-day?—You had better go to the bankers for that.

424. What is the value of good security on mortgage?—5 per cent.

425. It has been stated that these leaseholds have increased very much in value since they were settled. Is it not a fact that many of these sections were considered prizes at the time they were thrown open?—That is so.

426. How would you discriminate, then, between the one and the other?—I do not know. I know intimately the lands that were purchased for settlement purposes in North Otago, and I think the Government got bargains in every one of them. In some cases they got them at 20 or 30 per cent. under the actual value, only the parties who owned them did not want to cut them up and offer them for sale, because some of it would have been thrown on their hands.

427. *Mr. Forbes.*] When one of the School Commissioners' leases expires it is put up for auction and charged with the improvements?—Yes.

428. You fix an upset price?—Yes.

429. If the upset price is not reached what do you do?—If we cannot get a tenant we would have to reduce the upset.

430. Do you reduce the improvements?—They belong to the occupier, and could not be reduced without his consent. Their value is mutually agreed upon by the owner and the tenant at the expiration of the lease.

431. *Mr. Paul.*] Is the administration of the School Commissioners as economical as that of the Land Boards?—I am not in a position to express an opinion as to the administration of the Land Board. I can say this: that the members of the School Commissioners' Board give a lot of time to their duties without getting very much remuneration for it.

WILLIAM DOWDALL examined.

432. *The Chairman.*] What are you?—I am a sheep-farmer in the Waipori district, where I have 10,000 or 12,000 acres of land leased from the Crown, and for which I am paying £150 a year. I first had it for five years, and then I got a lease for twenty-one years. I applied for a reduction of my rent on account of mining.

[Witness here proceeded to lay before the Commission a grievance through the available area of his land being reduced by mining operations, &c., his application for a consequent reduction of rent having been declined. The Chairman, however, informed the witness that that was a matter purely for the Department to deal with, and did not come within the scope of the Commission.]

JOHN MUNRO MCKENZIE examined.

433. *The Chairman.*] What are you?—I am a farmer at Busy Park, Palmerston, where my brother and I have over 2,000 acres which is all freehold, with the exception of about 80 acres which we have leased from the School Commissioners. We have been in that place for about eight years carrying on mixed farming—cropping and sheep.

434. What do you pay for the Commissioners' 80 acres?—10s. an acre for part of it, and somewhere between 5s. and 6s. for the other part. It is a fourteen-years lease, with improvements, fencing, buildings, &c., at the end of the term.

435. Do you find it fairly satisfactory to be a tenant under the Commissioners?—Yes; I could not wish for a better landlord.

436. You are also a member of the Land Board?—Yes; I was appointed six weeks ago, and, of course, have not had much opportunity of judging the work of the Board.

437. *Mr. McLennan.*] Are you in favour of the Crown tenants getting the option of the freehold?—I consider it was set apart for special settlement, and a contract was made with the people when they took up the leases, and they should be willing either to abide by the contract or allow some one else to take it up.

438. Would you apply the same to Crown tenants who have taken up land under the lease in perpetuity?—I think so.

439. Do you think it would do to have two modes—one for the lease in perpetuity and one for the land for settlements?—No.

440. *Mr. McCardle.*] Have you any experience of the difficulties of settlement in bush country?—No.

441. Are you aware that in some holdings the interest of the State is only 15s., whereas that of the tenant is £5: do you not think there should be difference in cases of that sort?—Yes, but that applies more to the North Island.

442. The fact that a man is allowed to go on to these lands for nothing, and for a certain time simply spend a sum of money on improvements, would show that the State recognises that there is great difficulty in getting these lands settled?—Yes.

443. *Mr. Paul.*] Do you approve of selling the remainder of the Crown lands?—No.

444. *Mr. Forbes.*] As a reasonable man, do you think it would be better for the colony if the whole of the land was under one administration—the Land Board or School Commissioners?—I do not see how they cannot be dealt with just as well under the Land Board as under a special Board, although I have nothing against the School Commissioners as a body.

445. Very likely as a Board they might be an improvement on the Land Board, but in principle, do you not think having two Boards dealing with similar lands must lead to a certain amount of overlapping?—Yes; I do not think the two Boards are required.

446. What is your opinion about the ballot system? Do you believe in the grouping?—I believe in the ballot system without grouping. I believe in the straight-out ballot.

447. You believe in placing the applicants according to their financial means and experience?—Partly. Under the grouping system a man might have to take up a section he did not want.

448. You would not be in favour of allowing the holders of the lease-in-perpetuity leases to have the option of the freehold?—No.

449. Are you satisfied with the constitution of the Land Boards at as present, or do you believe that they should be partly nominated and partly elected?—It would be a pretty difficult matter to get them elected. They are elected as it is by the representatives of the people, and it would be a great trouble to elect them by the people themselves.

450. The present nominated system is about as good as you can get?—Yes. I would have no objection to the ordinary mode of election if it could be done easy enough.

451. You would not agree that it would be right that Crown tenants alone should elect the whole of the Board?—It would be more to their interests to turn out and elect the members than it would be for other people.

452. *Mr. Anstey.*] Have you right of renewal of your lease?—No; we would prefer to have the right of renewal.

453. Do you think a lease in perpetuity would be better than the one you have got?—Yes.

454. Supposing you had a lease in perpetuity would you prefer a freehold?—No.

455. Have you any experience of advances to settlers?—No.

456. *Mr. Johnston.*] Do you think the constitution of the Land Board at the present time is the fairest to the whole of the district?—I do not know, but I believe Central Otago consider they are not properly represented.

457. Do you think they ought to be represented?—Yes.

458. Have you any experience of high country?—A little.

459. Do you know anything about this regrassing of runs?—Yes, I have seen some of it done.

460. Can you give any suggestion as to how it should be done?—The best thing is to get a good burn in the spring and sow then.

461. What grasses?—Cocksfoot and clover are the best, in my opinion.

462. At what elevation is that?—Up to 1,600 ft.

463. *Mr. Matheson.*] Do you believe that a man is more likely to be more contented under the freehold than under the lease in perpetuity?—I would just as soon have my property under perpetual lease for 999 years.

464. And leave your money in the bank?—Yes.

465. *Mr. McLennan.*] Would you favour an amendment in the Act so as to give greater discretionary power to the Land Boards in the deciding of disputes, instead of those matters having to be forwarded to Wellington?—I think it would be better in some cases perhaps, but I have not been long enough a member of the Land Board to give an opinion. I think that a practical Board should be able to decide a case as well as any one else.

## DAVID BARRON examined.

466. *The Chairman.*] What are you?—I am Chairman of the Otago School Commissioners, and have held that position for two years and a half.

467. We will examine you on the land question later on, but is there anything you have heard from the various witnesses that requires correction? In other words, has there been any unintentional misleading?—I think the evidence given by Mr. Borrie and the result of the questions put by the various members of the Commission have elicited everything that is necessary. No doubt, as Mr. Borrie pointed out, the tenants who gave evidence before you were the most dissatisfied of all those we have under our control. The bulk of them, as far as my experience goes, are all quite satisfied. What aggravated the position more than anything was the want of roads. The Commissioners thought that the roading should be done by the local body, and a difference of opinion arose amongst the Commissioners over that question. It was threshed out to the end, with the result that those of us who thought we had the power were forced back from that position by our solicitor, who advised that we had no power to spend money on roads. There is no doubt that if we had been able to satisfy them with better roads there would practically be no grievance. Of course, the question arises as to what powers we have in regard to the renewal of leases. That has been a burning question also, but we have had that and several other matters before us for the last two or three months, and our deliberations culminated last night in a series of resolutions being passed.

468. Does your solicitor give any advice on the subject?—Yes. He gave an opinion that we could improve our leases, and we did so by making them more attractive.

469. Does your solicitor say that you have the power?—Yes, under the Public Bodies' Powers Act.

470. *Mr. McCardle.*] Do you not think, as the Chairman of a great trust, that it is in the interests of the trust and the settlers of the colony generally that all reasonable improvements should be paid for at the end of the lease, and that the lease should be on a tenure of reasonable length?—I have no doubt that we should be more liberal in allowing valuation for drainage. Up till now, however, the settlers have been provided with tiles for drainage, free of cost, at the nearest railway-station. Open drains have not been allowed for. As far as grassing is concerned, when they took up the leases they knew the conditions, and did not pay an excessive rental on that account.

471. Have you any manuring conditions?—No.

472. Do you not think it is desirable that something of that sort should be done? We saw some of the land running to sorrel, and we think that if manure had been judiciously used a different state of things would have existed?—It would be almost impossible to compel a settler to carry that out. There are so many different manures, and we would really require to have a chemist to analyse the soils before we could know what manures to use.

473. An intelligent Ranger could do that?—Well, as a matter of fact, we were compelled as School Commissioners to look after the doubtful tenants.

474. Do the School Commissioners' Rangers and the Land Board's Rangers not go over the same ground?—They have extensive districts—our reserves extend from the Waitaki to the Bluff.

475. Do you not think it would be more in the interests of the country if the Land Board had the sole administration of this land?—I do not think the Land Board could manage it much more economically than at present. As far as the Commissioners are concerned, they are all good, sound, practical men. They are all farmers and acquainted with the conditions obtaining throughout the province—two come from Southland and two from Otago.

476. How are they appointed?—The Governor appoints two and the Education Boards appoint the other two. They are all farmers, or are interested in farming.

477. *Mr. McCutchan.*] Have you any practical suggestion to make for getting over the roading difficulty?—I think an amendment of the law is required to enable us to devote a moiety of the rents to that work. We are unable to give anything, and consequently the Land Board administration with "thirds" and "fourths" is more beneficial to the settlers.

478. Are not the "thirds" and "fourths" from the Crown lands wholly inadequate for making roads?—Perhaps in some districts that is so, but they are an immense help.

479. The Commissioners do not use the machinery of the Loans to Local Bodies Act?—No.

480. Would it be in the interests of education to extend the length of the lease?—No; I do not think it would. I think it is fair to have a revaluation at the end of every twenty-one years, provided they have the right of renewal. We propose to allow them that now.

481. You think twenty-one years is long enough?—Yes. In some cases it might be too long, as in the case of land near the towns.

482. In those cases you only grant fourteen-years leases?—In one case just now we are only granting seven years. That is suburban land at Invercargill, which might be required for town sections.

483. If the tenants obtain full valuation for grassing and other improvements the rent would be much higher, would it not?—Yes; I have no doubt they would pay a little more for it if satisfied with the valuation at the time.

484. *Mr. Forbes.*] In travelling round the country we found the greatest dissatisfaction at Lumsden, where the School Commissioners have a number of town sections?—The difficulty is that we cannot let the quarter-acre sections. When the sections were selected—I do not know how many years ago—they were selected in different blocks. There was a quarter-acre in one block and a half-acre in another, and the result is that we have been unable to let them at all. We are trying to get them grouped, and we are going to approach the Southland Land Board and the Government to allow us to group these sections, and have a number available for selection in a block. Otherwise we will never be able to dispose of them. You can readily understand that a quarter-acre of leasehold in a place like Lumsden is not of much value.



485. They said that at the end of their lease they forfeited their buildings: is that so?—They get full compensation for any buildings.

486. Is there any limit to the amount of compensation you give a tenant, supposing he puts up a substantial brick building?—I am not very clear on that point, but in the case of other improvements the tenant has to get permission to make these improvements before loading his section too much.

487. That is in regard to farm lands?—Yes, and I think it applies to town lands as well.

488. They say that these vacant sections are keeping the place back, and that they cannot put buildings on them because they are only School Commissioners' leaseholds, and they will get no compensation for their buildings?—Of course, they would get these sections if they thought fit to take them at a really peppercorn rental, so I do not see where their grievance comes in.

489. But the leases are only for fourteen years?—Yes; but we propose to give them the right of renewal, so that they should be quite satisfied.

490. They all mention that they would like to get the freehold of these places?—Yes. We propose to have all our sections grouped into one lot, and then offer them probably under grazing license, or some other mode of selection, so as to prevent them becoming a nuisance to the community. No doubt they will be taken up if offered in more substantial areas.

491. Do you attempt to keep down the noxious weeds on your section?—The Stock Department requires us to do so, and our Ranger has been instructed to take steps to keep down the ragwort.

492. *Mr. Anstey.*] Will you tell us a little more about your proposal to allow compensation to tenants for grassing? Do you propose that the same regulations should apply to pastoral tenants as to agricultural tenants?—The question in connection with pastoral leases has not been raised either by the Commissioners or by the tenants.

493. Do you propose to allow valuation for grassing on farming and cropping land?—Yes, but not on pastoral land. The latter question has not been discussed yet.

494. Does it not strike you that in the case of farm lands this question of compensation for grassing is simply useless, whereas in the case of pastoral lands compensation is required?—What the tenants complain of is that they are not allowed compensation for grassing in regard to their agricultural sections at the end of the lease.

495. I suppose the trouble is that you insist on all the land being in grass for the last year of the lease?—Yes; evidently a mistake was made in drafting the original lease.

496. Suppose you altered the lease to provide that a fair proportion of the ground must always be in grass, there would be no question of compensation at all, because the ground would be in exactly the same condition at the beginning of the lease as at the end of it?—Yes. The point is this: in the event of the tenant in possession not desiring to take up the land again, he would know he would get a fair valuation for grassing as well as other improvements.

497. But suppose the grassing condition is that a fair proportion of the land is to be always in grass, would there be any question of compensation at all?—That has been the position taken up by the Commissioners hitherto, but the tenants have expressed themselves dissatisfied with it so frequently that the Commissioners have given way a little.

498. And the reason of the dissatisfaction is that you have got this silly condition in the lease that the place must all be down in grass, which destroys the tenant's chance of profitably using his land in the last year of his lease?—When a man takes up the lease he does so with his eyes open.

499. I suppose a man will pay a much lower rental if there is a silly condition like that in his lease than he would if there was a fair condition in it?—I do not say they are silly. It is not for me to find fault with my predecessor.

500. If these conditions are unfair, I suppose a man will pay a lower rent under them?—If they were, yes; but I do not admit they are unfair.

501. I think you said a shrewd man would naturally take that into consideration, and consequently offer less rent?—Yes.

502. Suppose the Commissioners have insisted on inserting unfair conditions in their leases, is it not a fact that the land has been administered at a loss, both to the tenants themselves and to the State?—If the tenants are paying less rent it must be a loss to the State, and if there are unfair conditions imposed on the tenants they must mean a loss to him?—Not at all. If the place is in good grass when it is put up for the second or third term the succeeding lessee would pay more for it in that condition.

503. Is it your experience that a tenant would rather have his farm all in grass than a fair proportion in each sort of crop?—If he had it all in grass of the second or third year it would be an easy matter for him to break the land up and put it into any crop he thought fit.

504. Would it not be much better in drawing up leases to provide that, instead of the whole land being left in grass, there should be a fair proportion in each crop? Would you not then do away with the question of compensation for grass on farm lands and be able to extend the concession where it is really wanted—namely, to pastoral lands?—The question of pastoral land is a very difficult one to cope with. We have attempted it in connection with pastoral runs, but with no great success.

505. Do I understand you now propose to give your tenants the option of renewal as well as valuation for improvements?—Yes.

506. You think if the tenants get the option of renewal, together with valuation for their improvements—in other words, if you give them security of tenure—they will then just be as satisfied as though they had the freehold?—I think they would.

507. You say you have recently appointed Rangers?—Yes.

508. And that you are now considering the question of giving valuation for grass, and that you also propose to give them the right of renewal of their leases, and other concessions?—Yes.

509. Can you tell me whether this feverish anxiety, or whatever it is, for a better administration of public lands has been in any way influenced by the appointment of the Land Commission?—Not in the slightest.

510. Can you explain why these proposals seem to be coincident with the appointment of the Land Commission?—There was a deputation to the Commissioners, and the Commissioners went south about six months ago and went round all the sections under their control. They carefully considered the matter, and decided to make some alterations, and from time to time this question has been brought up, but as some of the Commissioners have had to go away, and as there was a very big question involved, the matter has been allowed to stand over, as there was no time to thresh it out. In fact, it has been on the minutes for the last six months, and it was only last night that we were able to bring it to a satisfactory conclusion. The present proposals are practically the result of the visit I referred to.

511. *Mr. Johnston.*] Is much of the agricultural land high land?—Some is fairly high. Some of the pastoral runs go up to close on 4,000 ft. That is the country at the head of the Waikaia.

512. Have you any theory as to how this country should be regrassed?—Yes. Some of the witnesses before the Commission have expressed my idea as to how the land ought to be regrassed. I have not had any practical experience, or, rather, I have not had any opportunity to put my ideas into practice, and therefore I do not know how they would work out. My idea is that as soon as possible after frost the grass-seed should be sown, because the land becomes somewhat honey-combed by the frost, and if rain follows it gets thawed into the ground. There is an element of danger that you may put in the seed too soon, and in that case the frost perishes it. I think if the seed is put in as soon after frost as possible, and on a limited scale sheep put on it, the grass will succeed. It would require to be done on very limited areas. I think the land should be fenced in and kept free from stock for probably twelve months, the results would then be successful.

513. Has that system been tried yet?—Not on any extensive scale. I think if the land were fenced in from rabbits and stock there is not the least doubt the grass would come away again. You might have seen two or three patches along the Taieri Gorge where that has been done, and the tussock has come again almost as good as it was originally.

514. Has the revenue of the Commissioners increased or decreased of late years?—It is practically stationary. Our revenue is about £15,000 a year, and it has been that since I came here.

515. Would it be advisable for the Government to undertake to pay the Education Board, through the School Commissioners, interest equivalent to your present revenue, and take back these lands?—That is a matter of policy, and I do not think I should express an opinion.

516. *Mr. Matheson.*] You are a citizen as well as an administrator: as a well-informed citizen, does it seem to you wise that two bodies should be administering public lands within the same area?—That is also a matter about which I do not care to express an opinion.

517. *Mr. Hall.*] I suppose if these tenants get a longer lease and right of renewal there will be less trouble?—Yes.

518. There would not be so much trouble then about allowance for improvements?—No.

519. You do not recognise exhausted improvements?—No.

520. You only recognise what is visible at the end of the lease?—Yes.

521. You said that the settlers had a great grievance owing to the want of good roads?—Yes.

522. May I be allowed to suggest a remedy?—I will be very pleased to hear it.

523. Do you not think it would be a good plan to satisfy the people here who have grievances to go up to the North Island in the month of August, because then they would return quite happy so far as roads are concerned?—I think that is outside the pale of practical politics.

ERNEST ATKINSON examined.

524. *The Chairman.*] What are you?—I am Crown Lands Ranger for North Otago, including Maniototo and Naseby. I have been in that position for nine years.

525. You have heard the evidence given to-day: is there any of it you would like to correct or add to in any way?—In some cases I think the suggestions would be practicable, and in some cases I do not think they would. I think there is a common-sense body of men who have experience and can use their own judgment, and I think any matter can be left to them to arrange according to circumstances.

526. In regard to those who are under the various leases of settlement and subject to conditions of residence, improvements, and so forth: are they generally fulfilling in a proper and substantial manner what is required of them?—Yes, in a very satisfactory manner indeed, especially the people who are holding under the Land for Settlements Act. On the ordinary Crown lands, of course, there is not the same amount of supervision. We make an inspection every now and again, but, of course, we have nothing to do with their method of working the land. They simply have to put on a certain amount of improvements in a certain time, and comply with conditions such as residence, &c., and that is all we ask them to do. But under the land for settlements settlers have to comply with certain cropping conditions, and they have to adhere pretty strictly to them. A very large amount of money is involved, and it is very necessary, I suppose, although we do not visit them any more than is necessary. So far as the estates in North Otago are concerned, I make an inspection once a year, and during that inspection I see whether they have complied with the conditions, and I take their crop return and it is embodied in the Lands Report.

527. Do you think that your inspection once a year over your wide district and over these very valuable estates is really sufficient?—We have a system, and there is no possibility under that system of the settlers infringing the regulations without detection, and therefore it is only necessary to make a visit once a year. There is a certain rotation, and we have all the fences plotted on the plan, and the paddocks numbered, and a rotation of the crops is taken regularly.

528. Do you find any inclination on the part of the tenants to overstep the regulations in the manner of cropping?—Yes, in rare instances; but, taking it all round, the settlers under the Land for Settlements Act in North Otago I consider equal to any in the colony.

529. And in cases where they do show this inclination, how do you correct it?—It is brought under the notice of the Land Board, but there are no very serious breaches. For instance, a man

is supposed to take off two white crops and one green crop, and then the land has to be laid down in grass for three years. Well, his second white crop may be a failure, and the tenant naturally supposes there would be no great harm in taking off another crop and then laying it down in grass.

530. *Mr. McLennan.*] You were a farmer yourself before taking up this position, and, of course, you understand farming and what the tenants are required to do?—Yes.

531. So far as your knowledge goes, how do the improvements and buildings on leaseholds compare with those who have freeholds alongside them?—I was going to say they compare more than favourably, but they are equal if not superior. But I will say this: that the man who has a freehold has probably held that land for twenty-five years or more, and therefore his improvements have not been kept in the same state of perfection as those of the man who has only taken up the land. So far as my experience of the people under the Land for Settlements Act has gone, I find that those who have held for probably the last eight years have very highly improved their sections, and that their improvements are very substantial.

532. Are the tenants inclined to have gardens, and to beautify their places by planting trees and so forth?—Yes, on nearly every section you find the beginnings of a plantation.

533. We had evidence before us in several places that the Crown tenants do not farm or improve their holdings anything like they would if they were freehold: do you think that is correct?—I think it is a mistake.

534. There was a witness before us who swore that a tenant on the Tokarahi Estate had abandoned his holding owing to the oppression of the Land Board or the Ranger: is that so?—It is not so. I know all about the case. I think that man's name was Solomon Goodson. He held a section of about 250 acres, and he was an original holder at Tokarahi. The first two years on the estate were very dry, and he and a number of others applied for an extension of time in which to pay their rent. That extension of time was granted. In the meantime he harvested his crop and sold the whole of the proceeds, and then abandoned his section. At that time there was about £30 owing for rent, and the Land Board took action against him for the amount and got judgment. They therefore set the police to work to make inquiries, and they found that within three months or less of the time he left the section he sold, through a firm in Oamaru, about three hundred pounds' worth of property in his wife's name, and that he had about two hundred and fifty head of stock grazing on turnips at Waimate. I strongly advised the Board to sue him on a judgment summons, but they would not do it.

535. *Mr. McCardle.*] I suppose the most of the settlers on the settlements you refer to were old experienced farmers before they took up this land?—Yes, I think the majority were.

536. The men who have had experience are really essential to make good farmers?—That is so.

537. Do you see any appearance of decay in the cropping-capacity of any of the land?—None at all.

538. Most of these estates, I think, were cropped very little before they were taken up?—Some of them were pretty heavily cropped.

539. I have seen that a great deal of the country is going back for want of manure, whether it is freehold or leasehold land I do not know?—Of course, this is nearly all limestone country, and the farmers are very practical men, and they take very good care to so work the land that it shall not be depreciated in value.

540. Of course, if it is a freehold estate you have no control?—No, they can do as they like. These men do not do as they like. They are sensible men, and they require very little supervision.

541. *Mr. McCutchan.*] Have you had any complaints from Crown tenants under the Land Act of 1892 in regard to residence conditions?—No complaints have been made to me personally.

542. Do you supervise lands in remote places settled under that Act?—Yes.

543. Is there a reasonable access to those places?—In my district there is very good access.

544. Metalled roads?—The same roads as at Maniototo—beautiful level roads, and not a great amount of rainfall.

545. In estimating improvements what do you allow for bushfelling and grassing in your district?—I have no bushfelling or grassing in my district.

546. *Mr. Paul.*] Are there any restrictions or supervisions that you have to exercise over these tenants that you would resent if you were in their places?—No.

547. You think there is nothing unnecessary in the way of supervision or restriction?—No. I think the tenants would answer that question for themselves.

548. *Mr. Forbes.*] Is there any widespread desire to get the freehold of these lands?—I have not heard it expressed.

549. The tenants seem to be perfectly satisfied?—There may be an odd one, but, as a general run, they are perfectly satisfied in North Otago.

550. You said that experience as a farmer is essential to making a successful settler?—I do not think I said it was essential. It is one of the essentials.

551. Do you know of any people who have had no previous experience becoming successful farmers?—I know of one.

552. Do you not think that a tradesman and a sensible man would be likely to turn out a very successful settler?—I would say that he would have to have more money than the man with experience.

553. *Mr. Anstey.*] Taking the settlements in North Otago generally, are there better crops being grown there now than when the land was in the hands of freeholders?—I think there is a very much larger area under crops on these estates now than formerly, and I think heavier crops are grown now.

554. Is the land generally more or less weedy now than formerly?—I question whether it is as weedy. I do not think it is, because in the early days when it was held in one block they did not go in for so much drilling of root-crops.

555. Can you make a comparison of the stock and sheep on them?—I think there is a greater number of sheep now than then on many of the estates. For instance, Ardgowan, which formerly belonged to the Australian Land Company, carried about six thousand sheep on 4,000 acres, and now there are no sheep at all. It is a dairying place, but on the other estates the settlers go in for mixed farming.

556. Do you notice any freeholders in the neighbourhood with badly farmed land?—I do not take much notice of freehold.

557. There is one condition in your lease that seems to me a little bit unfair if insisted upon. I think the wording of it is that the land must remain three years in grass from the time the previous crop was harvested: would that not involve keeping the land in grass three years if interpreted literally?—Yes.

558. Would it not be just as well to word the lease so that the tenant could break the land up at the end of the third year without infringing any condition of his lease?—There have been no complaints in regard to that. They all seem to be satisfied. It is a very small matter.

559. Can you tell what has become of the farm abandoned by Goodson?—It is held now by a man called Thomas Beck, and the total value of his improvements is £335.

560. Has he put these improvements on since Goodson left?—There were about sixty pounds' worth of improvements when Goodson left.

561. Is that farm carried on successfully now?—Yes, very.

562. You said you consider once a year is sufficient to inspect these farms?—Yes, now we have a system.

563. I suppose it is quite necessary to visit them every year?—Yes, because the information we get is put into the Land Report.

564. *Mr. Johnston.*] Do you put any value on the land at all?—No.

565. Do you know if the land has been falling or rising in value in your district?—Taken all over the district, it has been rising very considerably.

566. Have the settlements been a success all round?—Yes, a very great success.

567. Do you know Maniototo?—Yes.

568. Do you know if any of the runs in Maniototo that are not cut up could be cut up?—I would say so, but I do not think they could be cut up until their leases expire.

569. Are the farmers on the Maniototo Plains farming successfully?—Yes. They are doing better now than they have done for a good many years. Of course, it is not very good land.

570. *Mr. Hall.*] You said that, so far as your observation goes, land held under lease in perpetuity was farmed as well if not better than that held under freehold tenure?—Yes.

571. Do you think the reason is that a good deal of freehold land is held for speculative purposes?—No. I think it is held by genuine farmers, but a good many of the freeholds are encumbered.

572. *Mr. McCardle.*] You did not gather from the questions I put to you that I was casting any disparagement on any class of settler in these blocks?—No.

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OWAKA, WEDNESDAY, 22ND MARCH, 1905.

ALFRED BRADFIELD examined.

1. *The Chairman.*] What are you?—I am a farmer. I hold 600 acres of freehold. I have been farming here for thirty-two years. I obtained most of my land from the Government by cash purchase. I was never under any of the settlement conditions. My farm is between six and seven miles from Owaka. I use the land principally for dairying and sheep-growing and growing winter feed for stock. There are three dairy factories in the district.

2. I do not suppose there is much grain grown here except for winter feed in the district?—Nearly everything is consumed in the district. A few oats are grown for sale.

3. I suppose your climate is very wet?—Yes, as a rule, owing to the frequency of the rainfall. It is cold in winter.

4. Is there anything you would like to bring before the Commission?—Nothing, except that I would like to say it is a great consideration for a man to have the freehold.

5. Are there many settlers here under leasehold and settlement conditions?—Yes.

6. Have you any opinion about the present constitution of Land Boards?—I do not know that election would make the position any better, because very few of the voters would know anything of the men they elect. I have never seen anything unfair about the Land Boards.

7. *Mr. McCardle.*] You are interested in getting the freehold for other settlers?—I do not know what other settlers might like, but if I was a new settler to-day I would be very sorry if I could not get the freehold when I wished it.

8. Do you prefer that the Government should sell for cash or on terms of easy payment by the settler?—I should prefer deferred payment, because it makes it easier for a man to purchase.

9. You have no particular objection to the lease in perpetuity?—No, if they give a man an opportunity to transfer. They say this lease in perpetuity is as good as a freehold. It is, in a way, if you want to keep hold of it, but if you want to sell out and the Land Board does not fancy the incoming tenant they can prevent you selling.

10. Do you find any difficulty in getting transfers from the Board?—I have not tried it. I think if a man is able to pay for a place that should be a sufficient guarantee that he is a good man.

11. Supposing the restrictions were removed with respect to the lease in perpetuity, and a tenant was able to sell to another person, would it not be all right then?—Yes.

12. How do you get on for roads in this district?—You have hit a sore point there.

13. Have the roads been constructed by Government special grants?—Of late years we have got nothing except what the Government have done for us.

14. Do the County Council spend your “ thirds ”?—I am not interested in them. I am on the main road.

15. Do you think the Government have kept faith with the bush settlers in the matter of roads?—I think the bush settlers are better off than we are on the main road.

16. Do you know of any bush settlers without roads?—I do not know of any without roads, but some of them have very bad roads.

17. Have you observed the working of the Advances to Settlers Department?—I am not particularly interested in it.

18. *Mr. Paul.*] Have you had any experience of leaseholds?—I had three or four years of a private leasehold.

19. You say the freehold is more easily disposed of than the leasehold?—I think so.

20. Is that why you prefer the freehold to the leasehold?—I think it is one reason. I think when a man has the freehold he will spend all the money he can raise in improving it, whereas if he has a leasehold and he can push past, anything will do.

21. I suppose you will admit that most settlers have not a great deal of money to raise, and is it not reasonable to suppose that if they held the leasehold they could spend more money on it and improve it to a greater extent than the freehold?—That is all right; but if the land was taken on deferred payment it would not affect them at all.

22. Have you studied the position of leaseholders on improved estates purchased under the Land for Settlements Act?—I have seen about them in the papers.

23. Have you formed any definite opinion as to what is the best policy to follow?—I think the best policy would be to put a clause in the agreements giving the tenant the right to purchase after a given time.

24. These lease-in-perpetuity holders have entered into a contract with the Government, and some people wish that contract broken: would you be in favour of that?—I would make a man hold to his agreement whatever it was, but if he could be allowed to purchase I would give him the freehold.

25. You would break the contract in that respect?—Yes. I would leave the matter to the tenants themselves.

26. You think that would be beneficial to the State?—I do, because people would put more energy into improving their places.

27. In other words, you think a good farmer would be a bad farmer on a leasehold?—He would not be as good. That is my opinion.

28. Is that your experience?—I have seen a lot of it. I have seen men with a leasehold get into a bad state.

29. When you had the leasehold did you make as good use of it as you did of the freehold?—I treated it the same, because I was bound to do so by the conditions of my lease.

30. Was it not to your own interest to take care of it?—Of course, I would do my best; but there are a lot of things a man would do on a freehold that he would not on a leasehold.

31. *Mr. McCutchan.*] You believe in the deferred-payment system?—I do.

32. Do you not think that sometimes bears a little hardly on new settlers going on the waste lands of the Crown?—There is not a great deal of difference. How much difference is there between lease in perpetuity and deferred payment.

33. We will take 100 acres at £1, for cash: Under the leasing system the tenant pays £4 per annum, but under the deferred-payment system 25 per cent. is added straight away to the capital value, which then becomes £125, and he has to pay that in ten years, which means £12 10s. a year instead of £4, at a time when the struggling settler is least able to bear it: is not that a hardship?—I say that is my opinion, but I would allow a settler to take up the land as he thought fit, either under lease in perpetuity or on deferred payment. For myself, I would rather take a smaller piece of land on deferred payment than a larger piece of freehold.

34. Would you advocate extending the payments over twenty years instead of ten years, so as to make them bear less heavily on the struggling settler?—That is a good idea.

35. Would you be in favour of putting this tenure on the statute-book as well as the other tenures?—Yes. I think the payments over twenty years would be a great benefit.

36. In reference to Land Board transfers, you stated, and, I think, rightly, that the matter rests in the discretion of the Board, and they may refuse a transfer, although the tenant has complied with all the conditions: you think that is the greatest objection to the lease-in-perpetuity tenure?—Yes.

37. You said that roads were a sore subject here: is your revenue inadequate to make roads?—The Council appears to have got so far behind in debt that really they have no money to make roads. If they have money we do not get it.

38. Are you striking the maximum rate?—We strike  $\frac{3}{4}$ d. in the pound on the capital value, as well as a special rate.

39. We will say that there are a number of sections on a road offered to the public for cash, on deferred payment, and with the right of purchase. From the right-of-purchase and lease-in-perpetuity sections “ thirds ” are derivable, but from the cash sections no “ thirds ” are derivable: do you think that is equitable?—I think the people should get as much money back when they pay cash as under any other system. I would advocate a change in that direction.

40. Is the Noxious Weeds Act in operation here?—Yes; by the County Council.

41. Is it enforced?—I think so, in some cases.

42. Has any case been brought before the Magistrate for neglecting to destroy weeds?—I have not heard of any.

43. *Mr. McLennan.*] What is your objection to the lease in perpetuity?—I have no particular

objection to it, but I think a transfer is not easily got if a tenant wishes to sell out. I think it is a very good system otherwise.

44. Of course, you possess the freehold at the present time, but I suppose there are a great many settlers in this district who are under lease in perpetuity?—There are all kinds here.

45. Do you not think it would be only right and proper for them to advocate the freehold first, and before gentlemen who possess the freehold advocate it?—I do not advocate it any more than if I worked leasehold or freehold.

46. You do not advocate the freehold?—I advocate the freehold being given to any man who wishes it. I do not want to force the freehold down anybody else.

47. They cannot get the freehold unless the law is amended. If the Crown tenants demand the freehold and the Government do not wish to give it to them it means that one party—not both—wish to break the contract: would you advocate breaking the contract, seeing that the tenants are not demanding the freehold?—If the tenants demand the freehold I would.

48. Supposing you have a freehold property, and I lease 100 acres from you at so-much rent per annum, and put on improvements equal to £1 per acre, and then I come to you and say, “Bradfield, I want you to give me the freehold of that ground on my paying you the capital value,” what would you say?—I would say it rested with me if we could agree on a price.

49. But I demand it?—You could not demand it. If the law said you could demand it it would be a different thing.

50. You would not give it to me—you would tell me to go and mind my own business?—I do not ask you to grant the freehold unless the country wishes it.

51. But those who are concerned do not wish it?—Then, I do not want to make them wish it.

52. *Mr. Forbes.*] Are you a member of the Farmers’ Union?—Yes.

53. Have you been appointed to represent them here?—No.

54. *Mr. Anstey.*] Do you advocate the unrestricted sale of leases in perpetuity, supposing the unrestricted right to transfer and sell was given?—I would not allow a man to buy more land if he held the full area specified in the Land for Settlements Act.

55. With regard to the expenditure of Government “thirds” and with regard to Government promises, do you know whether the Government have spent money on roads which they have promised in this district?—I cannot answer that question.

56. You do not know whether the “thirds” that have accrued from this land have been spent?—I do not.

57. *Mr. McCardle.*] You understand the law of contracts in a common-sense way?—Yes.

58. If a contract is made between you and another man for a lease, and that man comes and says to you, “I would like the freehold”: if you agree to that it is not a breach of contract, is it?—Not if both are agreeable.

59. It is simply an amended contract?—Yes.

60. You would not advocate that a settler should go to the Government and demand the thing as a right, but you think he should ask the Government to consider reasons he may adduce in favour of it?—Yes; I would leave it to the Government to make a law. I would not leave it to any person to say indiscriminately it should be this thing or that.

61. And, no matter what amendment was made in the law, you would leave it open to any person to continue the present contract, or to take advantage of any amendment the Government may see fit to make?—Yes.

#### JAMES NELSON examined.

62. *The Chairman.*] What are you?—I am a Crown tenant. I hold 315 acres under lease in perpetuity. I have held it seven years. I pay £6 6s. per annum. It is bush land. I have about 30 acres cleared and in grass. It is about seven miles and a half from Owaka. The grass has taken fairly well. I have a team of bullocks and a few cows on the place. I have not got my family on the place, because I cannot get on to it. I have no road to it at all. My section is two miles off the main line of road.

63. Have you any neighbours?—Yes; but they get out in another way.

64. Has anything been done to clear the road for you?—A little has been done; but I have been there seven years, and I have not got a track yet. I have to hump my goods in.

65. Is it difficult to make the road?—All the bad parts were made three years ago, and then they left the work. The bush is cleared off the road-line, and the road simply needs to be formed. The culverts were put in three years ago and then left.

66. Can you estimate what it would cost to form the road, without metalling?—I think 10s. per chain would do to form a road 10 ft. wide for a mile.

67. *Mr. McCardle.*] What is your view with regard to the question of purchase?—I think the lease in perpetuity is far better than purchase.

68. Have you had any experience of the Advances to Settlers Board?—No.

69. I suppose you are aware that the law obtaining under that system is that the Department can only advance up to half of the value of the improvements already effected?—I believe so.

70. You have 30 acres in grass now: suppose the Government were to offer you liberal terms to complete other improvements, would it be of advantage to you to obtain that money from the Advances to Settlers Department?—If the Government would extend the Special Settlements Act to apply to tenants like me, and give us half the price of the bush we fall, I would have a good home at once.

71. Suppose the Advances to Settlers Act was amended so that the Government could advance up to three-fifths of the value of the improvements, would that not meet your case and at the same time be a safe thing for the State?—I think so.

72. Is there any restriction in connection with the administration of the land under the 999-years lease that you think ought to be altered by the Government?—No; I think the lease

is about as near perfection as it is possible to be. In regard to transfer, there is a little difficulty, but I do not think it is too much.

73. How are you neighbours generally succeeding with their holdings?—If they could get roads there is nothing to stop them.

74. Have you a heavy rainfall?—It is not heavy.

75. Do you obtain good burns?—Sometimes, and sometimes we have drawbacks, but we get good grass after bad burns.

76. Have you thought out the question of the best means of supplying roads to the settlers in such country as yours?—Yes.

77. What would you propose?—That the “thirds” should be taken from the County Council and handed to the Roads Department for administration.

78. Our proposal in the North is to capitalise the “thirds” and raise a loan to do the work straight away, without any delay to the settlers?—I would object to that altogether. I would rather have the “thirds” as they accrue honestly expended.

79. *Mr. Paul.*] Are there many settlers in this district without roads?—I think most of them have a road, but I have not even got a track.

80. Do you think that is bad policy?—I think so. I certainly would not have taken up the land if I thought I was to be treated in that way.

81. Do you think that roads should precede settlement?—That is a large question. It would be fair enough if they gave me a road within a certain time.

82. Do you think it is fair to put settlers on the land with no means of access to it?—Certainly not.

83. *Mr. McCutchan.*] What is the capital value of your land?—10s. per acre.

84. You are paying 4 per cent. on that?—Yes.

85. Are there many more settlers on your road in the same position as yourself?—Only one.

86. So that the total revenue from “thirds” would be about £4 per year?—Yes.

87. Do you ever expect to get a road on such a small expenditure as that?—No. In eighteen months, instead of the “thirds” being £6 the Council said they were only £2 10s.

88. What is the area of your neighbour's section?—It is about the same as my own. I am not quite certain.

89. Then, you may take it for granted that the Council's statement is correct, because they get a schedule from the Receiver of Land Revenue?—I wrote to the Receiver of Land Revenue and got his statement, and there was £5 according to his statement, but the Council Engineer told me he would not recognise it.

90. Do you understand the working of the Loans to Local Bodies Act?—I have no experience of it.

91. I can assure you that if you formed yourselves into a small rating area and utilised your “thirds” as security for a loan you would be able to make your road without any trouble, because the “thirds” would be sufficient to pay interest and sinking fund, and extinguish the loan in twenty-six years. It seems to me a strange thing that when machinery of this sort is put into the hands of the settlers they will not use it?—So far as I can learn, when we have applied to the Government we could not get a loan, because they did not seem to have enough money for themselves.

92. Was your land loaded for roads?—No.

93. Then, the Government felled and cleared the track gratuitously?—Yes.

94. And you got your land for 10s. per acre?—Yes.

95. *Mr. Forbes.*] Are you satisfied with the way the Land Board treat you?—Yes.

96. You do not think that any alteration is necessary in the way of giving tenants a representative on the Board?—No.

97. *Mr. Johnston.*] What distance are you from a metalled road?—A mile and a half.

98. Has it taken you seven years to clear 30 acres?—I could not get out and in. I have to go and make a living elsewhere, and I spend all I can spare on my section.

99. Is it broken or flat country?—It is the same country as you see from the window.

100. Have you put any buildings on it?—I have a camp and a garden, and it is pretty well ring-fenced.

101. What is the cost per acre of clearing bush land?—About £2 5s. to fell and about 14s. to sow in grass.

102. That does not include grubbing up the stumps?—No. That would cost another £6 or £7 per acre. I stumped some of the ground in order to grow turnips.

103. Did the Government promise a road when they sold you that section?—I understood I would get a road.

104. You do not know for certain whether money was promised for it and then was not spent?—I know I would have got a road when the culverts were put in had it not been for a Government official.

105. Would it not be very much better for you if the Government formed these roads before you went on to the land, even if they charged you a little higher rent for the land?—If I could have got straight on to the land it would have paid me to give double the rent.

106. *Mr. Matheson.*] Was there a special Government grant for the work done?—Yes. I do not know how much.

107. *Mr. McCardle.*] Do the settlers do the roadwork in the district?—Under the Government they do, but not under the County Council.

108. And that is in their interests, is it not?—Yes.

109. *Mr. McCutchan.*] How long ago is it since the Government vested your road in the County Council?—I never knew it was vested.

110. Who is doing the work on the road now?—The Government.



111. Where is your grievance with the County Council?—If the Government gave the “thirds” to the Roads Department we would get on all right, but the Council will not spend the “thirds,” and when they are forced to spend them they do so in a way that is of no advantage to us at all.

112. Are your “thirds” spent?—The Council spent £3 10s. on my road a week or two ago, and the road is impassable now.

113. Is it the custom of your County Council to spend money on a road under the control of the Government?—I cannot tell you.

ALEXANDER CLARK SAUNDERS examined.

114. *The Chairman.*] What are you?—I am a farmer. I hold 150 acres of freehold. I might mention I did not come here to give evidence on the land question. I dropped in and I heard a witness attacking the County Council, and I must reply to what I have heard. I regret exceedingly that I came in late and did not hear all he said. I heard the last witness finding fault with the County Council in regard to the expenditure of the Land Fund. Some years ago things were not just exactly as they should be, and we had a special audit of the whole of the county accounts, so as to put things on a proper basis. I think Mr. Barron will bear me out in that. At that time things were put in proper order, and since then I can honestly say things have been carried out in proper order. We have in our Engineer and County Clerk two capable men. I understand from the little I have heard Mr. Nelson say that he alleges the Land Fund is not expended. Such is not the case. There is a very small amount accruing from these “thirds.” Mr. Nelson stated to me some time ago that there was so-much to the credit of his rate, and I asked the Engineer if it was so, and he said the amount was not as much as Mr. Nelson had stated. There may be at the present time a pound or two to his credit, but it is impossible to expend these small sums as soon as they come in. The County Council have had extreme difficulty in letting these jobs, as the people in the district will not tender for these small amounts. In some cases we have had to put on surfacemen on day-labour to do the work. Mr. Nelson makes a song about his section, but I would like to point out that he has never resided on his section.

115. He said if he had a road he would do so?—There are good settlers living in the bush in that direction, and they have no better roads than Mr. Nelson. But Mr. Nelson has never lived on his section. It is only a camping-ground for him when he is in that direction.

116. *Mr. McCardle.*] You have said that the amount available for this particular road is very small indeed?—Very small. I might also state for your information that the Government do not complete these roads. They only vote a certain sum for certain blocks, and they push on the road so far as the money will go. Then, as “thirds” accrue the roads are kept in repair as far as possible.

117. Do you not think it would be a very much better plan if the settlers would agree to raise a loan on the strength of the “thirds” and get the roads made, instead of spending the few pounds as the “thirds” accrue in dribs and drabs?—A great deal of it is wasted now.

118. This man says that £40 would make his road, and as his “thirds” would pay interest and sinking fund on a loan until the expiration of the “thirds,” would not the plan I suggest be much better in his case?—I do not think £40 would make the road.

119. If this man’s statement was correct, the “thirds” would be sufficient to pay interest on a loan?—Yes.

120. Have you taken over this particular road from the Government?—There is no form for taking over any of the roads. The Government just do what they are inclined to do in regard to them.

120A. I suppose you are aware that in different parts of the colony the Councils have refused to take over roads until they considered they were in a fit state to be taken over from the Government?—If my Council took that stand we would not take over any roads from the Government.

121. Do you not think it would be a proper stand to take?—It would be a proper stand. There are peculiar circumstances in regard to this district, which is a riding of the Clutha County. The Government have opened up thousands of acres of bush country, much rougher than you can see from here, and they have roaded it in all directions—that is, they have cleared the bush and formed the road. The greater part of the roads are only 10 ft. wide, and in the winter, which lasts here for six or eight months in a wet season, these roads are only sludge-channels. Well, it is impossible for the County Council to undertake the surfacing of these roads, to say nothing of metalling them. The “thirds” will not do it. The land was rented to the tenants at from £1 to £1 5s. per acre, but the valuation has had to be reduced in some cases, I understand, to 7s. 6d. per acre; so you see we get a reduction in revenue right away.

122. Do you not think that the better system would be that the Government, instead of waiting for Parliament to make special grants, should decide that the whole of the land revenue should be devoted towards road-making; then, the local bodies could raise a loan on the strength of the rent, and repay the interest and sinking fund to the Government?—Well, it might; but my opinion in regard to the settlement of bush country is that the railway should have been put into this country first, so that the timber, which is the natural product of the country, might be utilised, and then settlement should follow. The people would get employment at the mills first, and would then be in a better position to improve their sections quickly.

123. But my remedy is to make good a bad job?—The matter of borrowing was before my Council some time ago; but, in my opinion, the suggestion is not workable, for this reason: you have to take a three-fifths vote of a special district created for the purpose of raising the loan, and the revenue in some parts of this district would not be sufficient to raise a sufficient revenue to repay interest and sinking fund.

124. I think if the people want the roads badly they will vote for any scheme to give them roads?—I know a settler a mile and a half from the railway, whose section has three-quarters of

a mile frontage on to a clay road, and the total revenue from his place is 12s. 6d., and out of that has to be taken the hospital and charitable-aid rate and special rates.

125. What does his rent amount to?—Only a trifle. The land is of no value.

126. *Mr. McCutchan.*] You say that there is a difficulty in carrying a loan proposal for a road, as it has to be raised over the whole riding; but that is not so, for under the regulations rating districts are formed in connection with each individual road, and not over the whole riding?—Certainly.

127. Have you made a calculation of what the sinking funds amount to in connection with any particular road?—Certainly.

128. And you have found that it is not feasible?—I will give you a case in point. There was an agitation to raise money to metal ten miles of the Owaka Valley Road, and they wanted from £2,000 to £3,000. The amount procurable on the statutory rate up to the limit would only have given about £800.

129. There is no limit?—There is a limit.

130. No, there is not?—Well, I may be wrong, but I thought there was. Anyway, you only get a subsidy on a three-farthings rate.

131. That only refers to the general rate?—You can only borrow up to six times the general rate.

132. That is all repealed by the Loans to Local Bodies Act?—That may be, but we went on the Act before us, which provided that we could only raise six times the general rate, and that only gave from £600 to £700, and all existing loans had to be deducted from that, so that there was nothing left for the road.

133. You are under a misapprehension: the borrowing-power of your Council is £6,000 a year, and if there are no other demands you can use it for any particular road?—We got our information from the Counties Act as furnished to the individual members.

134. All that is controlled by the Government Loans to Local Bodies Act of 1891. Your Council has power to borrow up to £6,000 annually for roadwork?—Without security?

135. You form a rating area, and make a calculation, and strike a rate to meet the interest on the loan, and reduce the amount of the rate by the accrued “thirds” and “fourths”?—That is just where the difficulty comes in, for the land in the special district would not bring in anything like sufficient rates to meet the interest.

136. *Mr. Johnston.*] Why was the special audit made?—Because the Council considered the accounts were not in proper order.

137. That they were not kept properly?—No.

138. Who is your Chairman?—Mr. Hay, of Romahapa.

139. Does he live near Balclutha?—Eight miles away, I think.

140. *Mr. Anstey.*] Have you been long a member of the County Council?—Between five and six years.

141. Were you a member when this audit took place?—Yes, for a short time.

142. The affairs are administered all right now?—Yes.

143. Can you tell us whether the statement that Mr. Nelson made was right or not: he said that you had spent £3 or £4 on his road, and that now it was impassable?—It may be, but I do not think it is, because we have had a spell of fine weather.

144. Do you not think that, instead of spending trumpery sums, it would be better to hoard them up or to spend them in advance, so as to be able to allocate a fair sum?—You cannot very well spend in advance.

145. You do not spend the “thirds” every year on the little bit of road it comes from?—You are supposed to spend it on the roads leading to the different blocks.

146. In that case you do not accomplish anything?—Where the surface of the road is clay it is wasted.

147. Would it not be better to borrow a fair sum of money and do a fair piece of road and be done with it?—I do not think so. It is all right where you have only small roads.

148. And waste the money in dribbles?—It is not wasted at the time. I am located pretty near the centre, and nearly every one who comes here wants something done.

149. And the culverts are made on this road to Mr. Nelson’s?—Yes.

150. Are they useable, or are they useless for want of road-formation?—They are useable; but I have been told that one which was put in by the Government is rather small to carry off the water.

151. Is the road sufficiently formed to get to the culverts?—I think so.

152. Would it not be better if the Government, before opening up the land, spent a fairly large sum in making the necessary roads and charged the settlers a sufficiently high price to cover the cost?—I believe it would be better for the settlers if that were done. They would be able to make a livelihood instead of merely struggling.

153. *Mr. Johnston.*] Are the settlers satisfied?—Some of them.

154. The majority?—There has been a good deal of Government work which they have had to do, but when it is completed I suppose some of them will have a struggle. There is another matter I might mention: Mr. Nelson’s brother was the late County Clerk, and that may have been the cause of some of his grievances.

THOMAS BARR examined.

155. *The Chairman.*] What are you?—A Crown tenant holding 195 acres under lease in perpetuity. My land is situated three miles and a half from Owaka. The road to it was made by the Government, and the grade is very steep and very often gets cut up. It is not what you would call a good road. It is all formed, and a few chains are metalled.

156. How long have you been living on this place?—Eleven or twelve years.

157. Was it originally bush?—Yes; and I have about 70 acres of freehold and in grass.

158. Has it taken the grass pretty well?—Yes, except a few mossbank patches.
159. I suppose you only have cattle on, or do you dairy?—We make a little butter—that is all.
160. Are you satisfied with the lease in perpetuity as a tenure?—Yes.
161. What do you pay by way of rent?—The rent is £3 19s. 6d., but there is a rebate.
162. *Mr. McCardle.*] Have you had the same difficulty as the others about roads?—We had a bit of difficulty until the road was formed up to my place, but since then our only difficulty has been the want of metal.
163. It is a summer road now?—Yes.
164. The settlers generally participate in the expenditure of the money, I suppose—they get employed making the roads?—Yes.
165. It is suggested that the roads should be made before settlement takes place: is it not a fact that if that was done the roads would be valueless before the settlers got there?—It would be money wasted unless a really good job was made of it.
166. Macadamised roads, and so on?—Yes.
167. Do you not think it would be wise to get a special loan for making these roads and use the “thirds” and “fourths”?—Yes; but I was not aware it could be done. I will only be too pleased to see my “thirds” spent on metal, I can assure you.
168. *Mr. Paul.*] Have you had any dealing with the Land Board?—Not particularly. I suppose I was one of those interested in “thirds” and “fourths” at the time the special audit was made.
169. What you have had is satisfactory?—Very satisfactory.
170. You agree with the present constitution?—I am thoroughly satisfied with the Land Board as at present.
171. *Mr. McLennan.*] I suppose the Ranger visits you occasionally?—Not very often.
172. He does not harass you in any way?—No.
173. We were told that sometimes he comes down and uses the lash on the Crown tenants?—He has not used the lash on me so far.
174. *Mr. Forbes.*] Do you find the settlers round here generally satisfied with the lease in perpetuity?—I have not discussed it with them. I can only speak for myself.
175. Has there been much discussion going on here about the question of the freehold?—Lately, I suppose, there has.
176. As far as you know, from personal observation, there has been no great dissatisfaction with the lease in perpetuity?—Not that I am aware of.
177. *Mr. Johnston.*] How was it that the County Council got into the mess at the time of the special audit?—It is not safe to say. The books were not as they should be, and the Crown tenants were not satisfied with the expenditure of the “thirds” and “fourths” in the district, and they appealed to the Council, with the result that you know.
178. Are they satisfied now?—I think the bulk of the settlers here are satisfied with the expenditure of the “thirds” and “fourths.”
179. You have only got 70 acres cleared in twelve years?—Yes.
180. That seems very little?—Do you think so?
181. I say it seems very little?—If you come and work alongside of me you will think it a good deal.
182. In the North Island we clear quicker than that. Is there trouble in burning the bush?—Yes; we very seldom get a good burn, and even if you do get a good burn, so called, half the land is lying covered with timber.
183. In that case it would have been better if the land had not been let for settlement and used for timber purposes only?—At the first, certainly.
184. What is the largest area felled in one season?—I have heard people talk about 40 or 50 acres; but there may be cases where more has been felled, though I do not know of them.
185. Do you find that the larger the block felled the better the burn, or the other way about?—It stands to reason that the larger the block felled the better the burn will be.
186. What is the cost of felling timber?—About £2 per acre.
187. *Mr. Anstey.*] What does it cost in addition to grass it down?—The grass-seed alone would cost 15s. an acre, without anything for sowing it.
188. Roughly speaking, it costs £3 an acre to fell and grass?—Yes.
189. Is any of the timber felled used for milling?—No.
190. Is it not fit?—Yes.
191. Could you sell it?—Yes, but I cannot find a buyer.
192. What is the reason of that?—There was a sawmiller cutting timber on my boundary, but he went away and never asked me for mine. I think he thought the grade was too steep to get it down to the mill.
193. Could nothing be done with the timber?—We could only split a few posts; we could not carry them to the station.
194. You cannot do anything with the timber at all?—No.
195. Can you suggest anything that would make it useful?—Only the putting in of a tramway.
196. Is there any ragwort or thistle here?—Not much, so far as I am concerned. They are spreading though.
197. Have the Farmers’ Union a branch here?—Yes; but, so far as I know, they are not represented here to-day.
198. What kind of timber is there on your place?—Red, black, and white pine and totara.

GLASGOW LOGAN examined.

199. *The Chairman.*] What are you?—A farmer at Owaka, owning 467 acres of freehold. I had one section of 226 acres on perpetual lease, but some years ago I converted it into freehold. The balance of my land I purchased for cash. There were 40 acres that I could plough

when I took up the land, and I have cleared and grassed another 300 acres. I have taken care to sow good seed and have manured my land, giving 4 cwt. of artificial manure and 3 tons of lime to the acre. If attention is not paid to the grass Yorkshire fog, which seems to be the natural grass of this locality, will supersede it—either that or couch.

200. How long have you been in this district farming?—I have been anchored down here for thirty-four years, to my sorrow.

201. What use do you put your land to?—I grow a bit of winter feed and milk about twenty-three cows and send the milk to the dairy factory, which is situated about two miles away over a fairly good road.

202. Have you any remarks to make about the district generally? Is the district going backwards or forwards?—The only drawback I see at this time is the ragwort. I knew that weed in the Old Country, but I never saw it grow so freely as here. I was told by Mr. Bruce, the Stock Inspector, that settlers had paid 3s. 6d. an acre twice in the year for cutting it on land only worth 10s. an acre. Some of the best land in the Owaka is nearly worthless through ragwort. Its growth is fostered by the wet climate.

203. Is there any Californian thistle here?—Acres of it.

204. How many cows will land run all the year round down here, giving them winter feed?—That all depends on the winter. Sometimes the winter is quite mild, and at other times we will get snow every day for six weeks.

205. Under all the circumstances, would 2 acres graze a cow?—I do not think two of my acres would. It would take fully three.

206. Do you house your milking-cows during the winter?—No; we turn them into the bush after a good feed.

207. Have you plenty of water for the cows?—Too much. We get it in our boots sometimes.

208. *Mr. McCardle.*] What price did you receive for your butter during the last few years?—We were paid on the butter-fat, and I think it came to 9d. a pound.

209. Do you run any sheep on your property?—No.

210. We have heard that sheep is the only cure for ragwort?—I have heard that sheep will eat it before they will eat each others' fore legs, but they prefer clover.

211. Do you know anything about the Advances to Settlers Office?—I always take my help from my own arms.

212. Do you know anything about it so far as other people are concerned?—No.

213. Is the constitution of the Land Board suitable?—Yes, so long as farmers are kept on it.

214. Is there any difficulty down here?—We cannot get roads. There is a great extent of roads to be made and there is very little money available.

215. *Mr. Paul.*] Has it paid you to improve your land as you have done it?—If I had not done it the land would not have been worth fencing.

216. Do you think it wise to settle this country?—Every man was not made to be a settler. Some people get on right enough, and others, if you put them in the meal-barrel, will starve.

217. Do you think it was a wise thing to settle this land when the settlement necessitated the destruction of so much valuable timber?—No, of course not; but one is generally wise next morning.

218. Would you extend the option of the freehold to all tenants?—I would let every man select his own tenure. A man, if he is going to prosper, should be the best judge of the tenure that suits him. If a man is only waiting till he qualifies for the old-age pension he is not particular as to the tenure he takes up land under.

219. Would you extend the right of freehold to those who had been put on improved estates under the Land for Settlements Act?—Yes, but I would not allow the areas to be too large. I look upon 200 acres as being a reasonable amount for a man to work.

220. Would you give the tenants on endowments set aside for particular purposes the option of the freehold?—Let the people who want leases take that land.

221. *Mr. McCutchan.*] Did all the grass that you sowed your place with go out?—As a rule, I can show you land that was in grass thirty years ago, and to-day is nothing but Yorkshire fog. The greatest difficulty in the locality will be the grassing of the bush land. Some of it is so steep that you cannot put a plough on, and to stump it would ruin the Bank of England. I sow cocksfoot, white clover, trefoil, crested dogstail, and various other kinds.

222. Has the dogstail gone out?—Yes.

223. Surely it will not pay to work the land at all?—That is where the difficulty will come in by-and-by, unless they are very careful in keeping up the strength of the land.

224. You were careful?—Yes.

225. Did you sow timothy?—Yes, and it has gone out too. The difference between timothy and Yorkshire fog is very slight, and can only be detected by an expert.

226. You said you were satisfied with the Land Board so long as farmers were on it, but do you not think there are other interests besides the interests of farmers to be protected in the settlement of land?—I think a farmer should know all that affects land.

227. The Land Board has the power to reduce rentals?—Yes.

228. You do not think there would be any danger of a farmer Board reducing rentals below a rightful amount?—No.

229. Would you give the Board more discretionary power?—Yes.

230. To decide cases on their merits without sending them to Wellington?—Yes. They can go by the evidence before them, and can also be guided by their own practical knowledge.

231. What do they charge for lime here, delivered at the station?—13s. a ton.

232. Where do you get it from?—We used to get it from the Government kiln at Palmerston, but the last lot I got from Milburn.

233. Is not Milburn much nearer?—Yes; but we thought at first that the Palmerston lime was of better quality. I do not think it is.

234. Is not 3 tons to the acre a great quantity to use?—It is a terrible quantity.

235. Do you put covers on your cows at night?—No.

236. *Mr. Forbes.*] Is there much bush land unoccupied about here?—I think all the Crown land is taken up. A wave of insanity went round here, and people were all mad to get bush land. They got into their right minds a few years afterwards.

237. Is there much sawmilling going on?—Yes. There have been sawmills in this locality for the past forty-five years. I came here forty-two years ago, and there were abandoned saw-mills here then.

238. The timber must be scattered?—It is getting far back.

239. Has land increased in value?—It did, but I think it is at meridian now.

240. Are the rabbits bad in the district?—Yes; they start breeding in the month of July.

241. *Mr. Johnston.*] You said you had experience of ragwort somewhere else?—Yes, in the North of Ireland.

242. Was it bad there?—Yes; but not so bad as here.

243. How many acres of bush have you felled at one time?—25 is the biggest lot I have put down in one season. It cannot be felled to burn under £4 an acre.

244. How long have you been felling your 300 acres?—Thirty-three or thirty-four years.

245. You would have done a good deal better if you had gone to the North Island?—I would have done a good deal better if I had not come to New Zealand at all, but had gone to Canada.

246. How is it that so many settlers are here?—They are just beginning to find out where they are. I have known as many as fifty or sixty people apply for one section.

247. *Mr. Anstey.*] Have you stumped any of the land you have cleared?—A little.

248. Is it expensive?—I have taken out some that have cost me £3 a tree.

249. Is there any difficulty in ploughing it?—Not if the stumping is carefully done.

250. Some of the stumps must be pretty rotten?—Some of them are, but broad-leaf and kamaï might last for a hundred years.

251. You do not keep sheep?—Not yet, but I will be compelled to get them.

252. Will the climate allow it?—There are plenty in the district.

253. What do you estimate the cost of felling and grassing ordinary bush land here?—Over £4 an acre.

254. *Mr. McLennan.*] Do you make any fences out of the timber and logs?—No; we use wire. We might use log fences for the time being, but they are not profitable and are never safe in the case of fire.

SAMUEL YOUNG examined.

255. *The Chairman.*] What are you?—I am a storekeeper at Owaka, and have been here twenty-eight years. I have 50 acres freehold and 220 acres perpetual lease, with right of purchase. It was all bush land, but I have cleared about 100 acres, and have succeeded fairly well in respect to grassing. I have cattle and a few sheep. I have no road from the main road—only half a mile of bridle-track. There is both ragwort and Californian thistle on my land, but I cut them every year. The ragwort is pretty easy to keep down with sheep, &c., but that is not so with the Canadian thistle.

256. What is your opinion about land-tenures?—I am a freeholder.

257. You have a lease as well?—Yes.

258. What is your particular objection to the 999-years lease?—When the land is freehold you can do what you like with it, and my experience is that freeholds are better farmed than leaseholds. There are good examples of the truth of that statement in this district.

259. May not the difference be owing to the fact that the freeholders were better off in the first place than were the leaseholders?—Yes. They have advantages sometimes that the leaseholder has not got.

260. Do you see anything in the 999-years lease which makes it difficult for a man to do anything with it?—Not if he does not pay too much for it.

261. Are you not of opinion that a man could succeed with a 999-years lease just as well as with a freehold?—Yes, if he is a good farmer and has good land. It all depends on the nature of the land.

262. As a storekeeper, I suppose you know pretty well whether applicants under the advances to settlers have succeeded in getting their loans?—Some of them have succeeded, but they usually do not get the full amount they apply for, and very frequently delays occur.

263. Do you not think, as that Department belongs to the Government, that the Government ought to give better treatment to their own tenants as to loans than to outside persons?—I think they ought to treat their own tenants better than freeholders in that respect.

264. *Mr. Paul.*] How long have you had your lease?—About fourteen years.

265. Do you intend to make it freehold?—I do not think so, because I am thinking of leaving the district.

266. Do you think the settlements in this district have been a success?—Some have turned out successful.

267. Is the land on which there has been successful settlement better than the surrounding leasehold land?—Yes. A good deal of it is of better quality.

268. *Mr. McCutchan.*] Can you make any suggestions for the better roading of newly settled Crown land?—I think the best thing that could be done in this district is to go in for a loan and get the roads made right away. I have advocated that for fourteen years. I think the interest might be spread over a number of years, the settlers paying the interest and sinking fund. The settlers would thus get the use of the roads in the meantime. We have bad roads here during a great portion of the year, and we pay pretty heavy rates now.

269. Do you think the maximum borrowing-powers under the Loans to Local Bodies Act—£6,000 a year—is sufficient to meet the requirements of the settlers in respect to the making of roads?—The Clutha County is a very large district, and the money does not go very far over it.

270. If the County Council exercised its full powers in that direction would not the roads be brought up to the requirements of the settlers in a very few years?—Yes, I think so.

271. Is the trouble that exists here due to the fact that your local body is not sufficiently progressive?—They are not progressive, from my standpoint.

272. Are you satisfied with the constitution of the Land Board?—Yes; but I would increase their discretionary powers.

273. You think the system of nomination is the best?—I think we get a chance of better men being selected, because the Government can appoint men who are known to be suitable. I would like to see the representation or selection of members spread over the country as largely as possible.

274. Would you be inclined to divide the land districts into wards, and have one member appointed from each district?—Yes.

275. *Mr. Johnston.*] You say that some of the settlements have been a success and some have not: which have been a success?—All up the Owaka Valley the settlers are comparatively well off.

276. Is that lease-in-perpetuity land?—No; it is mostly taken up by freeholders. A good deal of it is bush land, but a part of it is open country.

277. What is the quality of the land compared with the land where the settlements have not been successful?—It is heavy-bush land, where the settlers have a difficulty in clearing it, and the roads are very bad in the bush, and there is great expense caused to the settlers in taking in their goods.

278. It would appear that it was not proper settlement to open up this heavy-bush country in the way it was done?—I think it was short-sighted policy to settle people on that land until the bush was opened up by the sawmillers.

279. Was it not the settlers who were the principal movers in getting the land opened up?—I think the principal mover was our late member, Mr. Thomas Mackenzie, who went down through the bush some years ago and saw cocksfoot growing well at a particular place on the roadside, and he came to the conclusion that the rest of the land would grow grass in the same way, whereas the settlers have found out that it does not.

280. You think the settlers up the valley are most successful?—There is a small bit of land on the other side of Catlin's Lake that has been settled on the homestead system, and the settlers there have nearly all done fairly well.

281. How do you account for them doing well on those small areas?—They worked in order to make the land their own; that was the great inducement in nearly every case. The land is now their own and they are fairly comfortable. They have had a dairy factory there for a number of years, and that has been of great assistance to them.

282. There is a small settlement called Heathfield divided into small areas?—That is a comparative failure.

283. Have you formed any opinion with reference to the advisability of transferring the management of education reserves from the School Commissioners to the Land Board?—I have not been interested in that matter.

284. Do you think the Californian thistle and ragwort depreciate the value of the land?—Ragwort undoubtedly decreases its value for dairy purposes. My opinion is that it would be better for many settlers if they kept sheep. This is a very good place for raising early lambs, and if a man did not keep his old stock too long he would do well by keeping lambs, but he would need a somewhat larger area than at present.

285. Roughly speaking, what does grassing cost per acre?—I never sowed anything under 15s., and I think it generally costs a little more.

286. *Mr. Anstey.*] Can you give us any reason why steps were not taken to raise a loan for road-making?—There was an agitation for it about fifteen years ago, and about two or three years ago some of the settlers were very anxious to raise a loan to mettle the road; but obstructions were put in their way, partly by the County Council, and it was also said that the Crown tenants at the back of the freeholds would not be asked to bear their share of the cost of raising the loan.

287. *Mr. Matheson.*] Were you told that the Crown settlers could not be rated for roads?—Some persons said so.

288. Have you learnt differently since?—I understand they can, and have always thought so.

289. *The Chairman.*] Is the railway open for traffic much beyond this?—Three miles and a half.

290. Is it all bush right ahead?—Mostly.

291. It occurs to me, after hearing the evidence, that if the Government would agree to allow these people to suspend their operations for a time, until the railway was taken right through, and taking the first crop off the land, which is also the best—that is, the good timber—it would be the best course to take?—Yes. I am satisfied that land should never have been settled until it was opened by the railway.

292. Do you not think that the best thing would be to do as I suggest—to give the people who have bought land or hold land under tenures an extension of time until the railway is constructed, so as to take away the milling timber, which would furnish freight for the railway? Do you not think that would be making the most of the resources of the country?—I think that has been given effect to in most cases. The Board is most lenient with the settlers. I may mention that a great many sections that have been cleared and grassed at £2 10s. an acre, and fenced at 15s. an acre, you could not get the amount that has been spent on the land at the present moment, and if the land were sold now it would be sold at a loss.

293. Where it is proposed to take the railway-line, is the land better or worse than the other land?—There is some very good land.

294. It would have been far better if the land had been held by the Crown and leased to saw-mills?—Yes.

295. *The Chairman.*] I understand you get some of your metal from Dunedin?—Yes, some is obtained from Dunedin—from Logan's Point, and, I think, about Bruce. There is very little stone in this neighbourhood suitable for road-making.

ALEXANDER CLARK SAUNDERS further examined.

296. *The Chairman.*] I understand you desire to make a further statement?—Yes. One witness has stated something with reference to settlers in the upper district wanting to raise a loan, and the trouble and difficulty experienced in connection with that matter. The settlers in the upper district sent a petition to the County Council asking for a loan to be raised, and it was proposed to create a special rating district, and appended to that petition were the names of a great number of Crown tenants. I was not very sure about it, and brought the matter before the County Council as to the power of Crown tenants pledging Crown land for the loan. The question was discussed, and a resolution was passed that the County Council should communicate with the Commissioner of Crown Lands, and ask his opinion on the point. In due time a reply was received from Mr. Barron, enclosing a letter from the Minister of Lands, stating distinctly that Crown tenants would not be allowed to pledge the Crown land for any loan. Therefore the County Council were not able to go any further in the matter.

297. *Mr. McCutchan.*] You are aware, of course, that the Loans to Local Bodies Act is in operation all over the colony. Can you tell me if there are any specific reasons why there should be any departure in this case from the practice in other parts of the colony? I know of dozens of cases where loans have been raised under the Loans to Local Bodies Act, and there was never any reference to the Minister nor to the Commissioner of Crown Lands; it was simply a matter between the County Council and the lending Department in Wellington?—What I have stated was what occurred in this case.

SAMUEL BAILEY examined.

298. *The Chairman.*] What are you?—I am a bush farmer, and hold 153 acres of bush land under occupation with right of purchase. I have held the land for about two years. My rent is about £7 per annum. I have felled about 38 acres of bush. My land is in the Woodlands district, a little over eleven miles from here. I have a road that is passable in the summer-time. The grass has taken fairly well in some places.

299. Have you anything special you wish to bring before the Commission?—I have a grievance against the Land Board in respect to the rent of my land. I thought the Land Board would be fair to me and give it to me at the price other settlers adjoining have got their land. Two settlers in the neighbourhood have left their sections, and a year after I took up the land I applied to the Land Board to be allowed to surrender, but they would not accept my application, although they allowed a settler next to me who has got as good land as mine to surrender twice.

*The Chairman* said that such a case hardly came within the scope of the Commission.

*Witness* said another objection he had was to the Board allowing men to take up land and not living on it. These men went away and worked outside, and that was a drawback to the settlers who lived on the land.

300. *Mr. Anstey.*] Do you think that the settlers ought to have some representation on the Land Board?—I do. As far as my experience of the Otago Land Board is concerned, it all depends on the men you have on it. We have no representative on the Board from the Catlins district.

301. Do you want to elect a representative, or do you want a member appointed from each district?—I have not formed any opinion on that point, but I think we ought to have some representation on the Board.

302. *Mr. McCardle.*] Do you know if the bush settlers have any representation on the Board at present?—I believe there is one member from Clutha, but I do not think he understands the bush question at all.

303. *Mr. Paul.*] You would not say that the improved-farm system has been a success?—No. There is another thing I would like to mention, and that is, that the Board have allowed the bush reserve to be taken up by a party to cut sleepers out of it. The settlers got up a petition objecting to it, because it meant cutting up the roads. The Land Board for a time took no notice of our request, and they would not have done so but for some members of Parliament happening to come our way, and they brought the question before the authorities.

PATRICK CAROLINE examined.

304. *Witness* said he was a grocer in Dunedin, but he had been brought up on the land. He noticed that a question was sometimes put to witnesses in this form: "Supposing you were a landowner and you leased your land, what would you think if the lessee came to you and demanded the right of purchase?" He did not think it was right to put a private landowner in the same position as the Government, for the reason that a private landowner was like a man in business, and wanted to make as much out of the land as possible. The Government was in a different position altogether. They held the land for the people. They did not want to make a profit out of the land in letting it out on perpetual lease or in small holdings, but their desire was to settle the land. Every man put on the land was a man taken off the streets, and he became a good and useful citizen, and, naturally, the Government, in giving such a man advantages and inducements to go on the land, were not in the same position as a private landowner, who owned land and leased it, and who desired to make the best of it as a private speculation. He thought that the man who took up a section of land and felled 30 acres a year undertook a herculean task.



BALCLUTHA, THURSDAY, 23RD MARCH, 1905.

JOHN CHRISTIE examined.

1. *The Chairman.*] What are you?—I am a freehold farmer at Warepa. I own about 900 acres, and I have been farming all my life. I am chairman of the Clutha Branch of the Farmers' Union, and I have been appointed, with Mr. Wilson, the secretary, to give the views of the union on a few points. At a meeting last night twenty members of the union were present, and they carried by a majority, "That the meeting is in favour of elective Land Boards." I may say that personally that is not my view. I believe in the Land Boards as at present constituted. It was carried unanimously, "That the meeting is in favour of leasehold with the right of purchase." We think that the tenants should have the right to pay off as they go along. I do not think that means to say they should be allowed to borrow outside money to buy the land. It was also carried, "That this meeting is in favour of the single ballot." That is the old system. It was explained by one of the settlers in Barnego that there are two systems, and the meeting strongly supported the old system. That is all I have to say so far as the Farmers' Union is concerned.

2. Can you tell us what influenced the majority in carrying the motion of elective Land Boards—I presume they are dissatisfied with the present constitution?—I cannot say as to that; I think it is just a theory. They think that by election they would be better served.

3. Of course, they must have been dissatisfied with the present Board in some particular way?—A few of the Crown tenants seem to think they want more representation on the Board. I understand they would like some special representation of their own—that they should be represented by a member elected by themselves. Their idea was that the Government should appoint some members and that some should be elected.

4. Was it carried that they were all to be elected?—It was put to the meeting and carried by a majority that the Land Boards be elected.

5. What have you to say in regard to the option of purchase?—We think that all the present methods of acquiring land should be left as they are—that a man should be allowed to take up land either under lease in perpetuity, or occupation with right of purchase, or for cash; but the meeting seemed to strongly support the idea that the settlers should be allowed to pay off the land as they had the means.

6. In regard to the single ballot, I may say we have had very complete information about it: have you anything special to say on the subject?—No, except that grouping is the objection, because under it a man is compelled to take a section that he would not otherwise touch at any price, or else forfeit his deposit. If a farmer's heart is not in the section he selects he would sooner have nothing to do with it.

7. Is there any other point you have to mention?—So far as my personal views are concerned, I may state I have read Mr. Donald Reid's evidence, and I am exactly in accord with his views. It seems to me it is a good incentive if a man is able to pay off £100, £150, or £200 as he makes it out of the land, and so reduce his rent.

8. *Mr. Johnston.*] How long have you been in this district?—All my life.

9. Have you many of the settlers in this new Barnego Settlement as members of your union?—Several of them. There were three or four there last night.

10. Is there any land here fit to be cut up over and above what has been cut up?—A great deal of it.

11. Freehold or leasehold?—There are places like Clifton. Some of the latter land has been lately bought for private settlement, and it should have been cut up years ago.

12. Is Clydevale fit to cut up?—I think so. I have not had much experience of it.

13. Is there much Californian thistle about here?—I consider there is a good deal of it.

14. Any ragwort?—Very little outside the bush land. The bush land is infested with ragwort as a rule.

15. Is the Californian thistle depreciating the value of land at all?—I consider it is greatly depreciating, and in my own case I consider it has depreciated from £1 to £1 10s. an acre.

16. Have the settlements close to here been a success?—I do not know. Barnego is the only one, and I have not made any inquiries about it. So far as I have heard it has been a success. There is a small village settlement at the Warepa Bush, about ten miles from here. That has been a partial success, but the areas are too small and the land too poor for a man to live on.

17. *Mr. McLennan.*] You said that at the meeting last night there were three or four Crown tenants?—That is so.

18. How many freeholders were there?—About sixteen or seventeen.

19. How many Crown tenants are there in this district?—I have no idea. I believe there are twenty-four on Barnego.

20. You had the opinion of three or four out of twenty-four?—I think these gentlemen were sent from the settlement to represent the settlement. But they will speak for themselves; they are present to-day.

21. What is the object of the Farmers' Union advocating the freehold? Do they think it is for the benefit of the tenants?—They have a conviction that land is better farmed, and that a man will put more substantial improvements on the land and take more interest in it if he has the right to purchase.

22. How do the improvements that these Crown tenants have already erected compare with improvements on freehold lands about here?—I do not know; I have not visited Barnego.

23. *Mr. Anstey.*] You say your union is in favour of elective Land Boards: on what principle do you propose to elect them?—That is a question they did not fully discuss. We are inclined to think they should be elected as members of the County Councils are elected—namely, by the rate-payers, and that the towns should not have a say in it.

24. And do you think that the tenants have no right to elect a member of the Land Board?—Personally, I think that Land Boards are better nominated by the Government as at present; but

the union carried a motion that they should be elected, although they were not very clearly decided in what way. I have had some little experience on Education Board elections, and I think School Committees often vote for men they know nothing about, and I object to that.

25. Do you think it is necessary for the Crown tenants to have any representation?—The Crown tenants present expressed the opinion that they would like representation on the Land Board. I do not say that is my view.

26. You say a majority of the meeting was in favour of the right of purchase being given: can you say whether the Crown tenants who were there were in favour of that?—Certainly. I said the motion was carried unanimously.

27. Do you think if the right of purchase was extended to them it would be any great advantage to them?—I think it would be an incentive for a man to get his rent reduced as he was able to pay the purchase-money off. I would strongly object to outside money being borrowed and the land being bought outright.

28. On what terms do you propose to give the right of purchase?—If they can pay off £100 or £150 in any good year let them do so and have the rent reduced accordingly.

29. Would you give them the right to purchase at the original valuation or at the valuation at the time they exercised the right?—I would give them the land at the same price as if it had been purchased for cash at the time it was taken up.

30. Although the land may be 50 per cent. higher in value then?—I think they should get it on that basis. I do not think it is good for the colony or for the land that a man should be harassed by having to pay too much for his land. If he is he must take it out of the land to the detriment of the land.

31. Are the valuations of these sections all strictly correct, or is it not a fact that some are very cheap and others possibly are dear?—I heard this morning that the Barnego Settlement is not valued very justly.

32. Suppose you gave these settlers the right of purchase, would not the result be that those who have cheap and valuable sections would buy them, and all the dear ones would be left on the hands of the Government?—That might possibly happen.

33. Would it not be much fairer in giving the right of purchase to make a revaluation?—It might be in some cases, but in some cases it would be a hardship.

34. Have you any right in saying that freehold farms are better farmed than leasehold?—Well, there are men who should never own land, because they cannot farm properly; but, as a general principle, I think that freeholders do farm their land better. At any rate, they have an incentive to farm it better.

35. For instance, we went through Barnego Settlement this morning, and saw some splendid crops of turnips: do they grow them better on freehold farms?—The land is not as good in a great many cases.

36. I noticed some of the buildings there, and they certainly could not be called very bad: do freeholders when they first start put up better buildings than these?—I cannot say. I think some of them put up too good buildings and encumber themselves. I do not consider it a very healthy sign to see a man going in for too elaborate buildings.

37. *Mr. Forbes.*] In giving the right of freeholds to Crown tenants, would your union consider that there ought to be some restriction as to the amount of freehold a man should own?—I think that is generally conceded, but the question was not raised last night. We do not want to aggregate big estates again, although I do not think that is likely to happen.

38. The Government have gone to a good deal of expense in cutting up estates and putting people on them, and if they give the right to acquire the freehold possibly half the present tenants may be bought out by their neighbours: would that be a good thing?—The very fact that these improvements have to be put on would prevent that, because they would make the land too dear to be bought. All these improvements and buildings would be unnecessary in one big place. A man does not want a farm with half a dozen homesteads.

39. You think the improvements are sufficient protection to prevent settlers buying out each other if the right of purchase is given?—I do.

40. What difference do you see between the lease in perpetuity and the freehold? A man holds a lease in perpetuity for 999 years and he only pays 5 per cent. on the capital value of the land, and if he had to borrow to make it freehold he would have to pay fully that interest to a private lending company: do you not think it would be better that the Government should have a say over that land rather than a private lending company?—I would object to anything of that kind. I do not think he should be allowed to borrow money to acquire the freehold. I think he should pay a portion off as he makes it out of the land.

41. Do you not think that a lease in perpetuity at a fixed rental ought to be as secure as any freehold in the country?—Yes; but the tenant has to pay this everlasting rent, and he would like to make it lighter if he could.

42. Suppose he had sufficient money in hand to do so, could he not invest it at 5 per cent. elsewhere?—Yes; but a farmer very seldom does that. He likes to put his money in his own land. If he had £100 or £150 he would not invest it, but would make a struggle to pay it off his purchase-money.

43. Do you not think it is that struggle to pay the mortgage off that has done a lot to sicken young people of farming life? The father with a mortgage has done everything he could to pay it off, and the young people have got no wages and have therefore left, disgusted with the life?—That was so to a great extent, but the time for that is past. Farm produce here was for a great number of years almost unsaleable, but things have taken a better turn now. You will find many of the young people coming back to farm life before long. They find that office-work is not such a fancy job as they thought.

44. In your experience, do you think that there is a great deal of extra money made in farming?—There are no fortunes made in farming.

45. If a man had to pay his family anything like fair wages would there be anything left over?—I am in a position of having no family, and I pay wages for everything that is done on my place, and I make a little bit over and above that. I often make £100 or £150 or £200 with which I could lighten my encumbrances.

46. If dairy-farmers with families paid wages for the work to their families would there be much left over?—I have had no experience of dairy farms.

47. *Mr. McCutchan.*] Is roading satisfactory throughout the district, generally speaking?—I think the Crown tenants have grievances, so far as roading is concerned; but they are here, and will be able to speak about these matters for themselves.

48. Have you had any experience of the Advances to Settlers Department?—None whatever.

49. With reference to Land Board representation, we have heard complaints that there are districts, and particularly Central Otago, that have no adequate representation: would you be in favour of a land district being divided into wards and the Government nominating a member from each ward?—I think that would meet the case.

50. *Mr. Paul.*] You have not much faith in the leasehold system?—I think the leasehold very good. I would leave the option open, and allow a man to take up a leasehold if he could not take up a freehold, but I think he should be given the option to pay off the purchase-money.

51. Would you extend that option right through and include lands purchased by the Government?—Yes.

52. You have studied this question, I suppose, from a broad standpoint and from the interest of the State?—I do not say that I have given it a great deal of thought myself. It did not interest me personally.

53. Do you mean to say that a question of such magnitude as this does not interest you personally as a citizen of the colony?—Personally, I have always been on freehold land, and have never had anything to do with Government land. I am only here representing the views of the union so far as freehold is concerned, and, I may say, my own views as well.

54. You are chairman of the Farmers' Union: therefore do you not think that is all the more reason why you should study the question from the standpoint of the State?—I dare say; but we have leaseholders for that purpose.

55. Would you extend the option of purchase to tenants occupying education and other endowments?—I have never studied that question, but I do not think the State should part with the freehold of their education endowments.

56. Do you believe in conserving them for the purpose for which they were set aside?—Certainly.

57. In answer to a question put by Mr. Anstey you said in some cases there might be hardship if the land was revalued for the purpose of selling to the tenants?—I dare say there might be.

58. In what direction?—I can hardly say at present; I have not got a case in point.

59. *Mr. McCardle.*] How many members are there in the Clutha Branch of the Farmers' Union?—About a hundred paying members.

60. Do you think you are expressing the opinion of the majority of the Farmers' Union?—Certainly.

61. You know what is meant by the term "colours": are the "colours" well mixed amongst the membership of your union, or are they all of one "colour"?—I think the "colours" are pretty well mixed.

ALEXANDER STEVENSON examined.

62. *The Chairman.*] What are you?—I am a settler on Barnego. I hold 150 acres, partly on the flat and partly on the hill. I pay 11s. per acre rent, all over. I am an original settler there, and I have been there five years. I am under the lease in perpetuity.

63. Are you satisfied with that?—Yes, so far.

64. Do you find the land well worth your rent?—Yes; I am satisfied with it.

65. *Mr. Johnston.*] Are you satisfied with the tenure?—Yes.

66. Are you satisfied with everything in connection with the settlement?—We are not satisfied with the representation we have on the Board. That is the only trouble.

67. And you want it elective?—No. We approve of the present system of Government nomination, but we consider the members of the Board should be fairly divided. We do not think they should be all freeholders, but that out of the seven there should be at least three Crown tenants who have proved themselves capable of filling the position.

68. You think there should be three Crown tenants nominated by the Government?—Yes. At present there is only one.

69. Have you any objection under any other heading in connection with your settlement?—We have a grievance in regard to roading. When we took up the land loading was put on your rent—no doubt to a small extent—to extend over the 999 years, and at the present time the roads are not constructed. We have had to go the length of making the roads at our own expense.

70. *Mr. Anstey.*] We have been told that the Crown tenants do not farm their land as well as freeholders: I need not ask you about your place, having seen it this morning; but is it your general opinion that Crown tenants are not farming their land as well as similar freehold lands are farmed?—We have certain regulations that we must work up to or walk out, and we are compelled by these regulations to keep our land in the same condition as freeholds; hence a tenant must keep his land up to the standard of the freehold.

71. Do you know of any freeholders in regard to whom it would be just as well if they had something to keep them up to the mark?—No doubt the freeholder is kept up to a certain extent as well.

72. Are the buildings that are being erected on these leaseholds very much worse than the buildings erected on freehold land of a similar nature?—They seem to compare very favourably with the improvements that a freeholder puts on.

73. Then, there is not much in the objection that the freeholder farms much better than the leaseholder?—No; only the freeholder has a more secure tenure.

74. *Mr. Forbes.*] Would you prefer the freehold of your lease in perpetuity?—Yes, provided the right conditions were given to acquire it.

75. You would like the right of purchase?—Yes.

76. Why do you wish to have the freehold? Is the lease in perpetuity not long enough?—It is right enough, but it is nature all the world over for a man to want to own his own land. When a man has his own piece of ground he feels more secure. You have no feeling of security in this lease in perpetuity.

77. Are you harassed by the Ranger?—There is no need of it, because there is a standard of regulations which we must work up to or walk out.

78. Does the Ranger not come round to see if you do work up to them?—Most decidedly, and we know that.

79. Are you required to clear your land of this Californian thistle?—The Stock Inspectors are sent out by the Government to see that we keep it down, and if we do not they take action against us.

80. You would prefer to have the right of purchase of your lease in perpetuity?—Yes.

81. *Mr. McCutchan.*] Have you had any experience of the Advances to Settlers Board?—None.

82. The Barnego Block was loaded for roads?—So I understand.

83. Are you confident it was loaded for roads?—That is the information we got from our member and from the Road Engineer.

84. Do you know the amount of the loading?—It was to be sufficient to complete the unconstructed roads.

85. Do you include formation and metalling in the construction?—No; it was just to make the roads.

86. Has any loading been expended on the roads?—Part of it.

87. Has the work been given to the settlers?—In no case.

88. If the work had been offered to the settlers would they have undertaken it?—Most decidedly, and they offered to do it.

89. You understand that interest on the loading goes on for the whole term of the lease?—So I understand.

90. Do you think that is a grievance?—Yes, because the money has not been expended.

91. Would it be a grievance if the money had been expended?—No.

92. You are prepared to pay interest on the loading for the whole 999 years?—Yes, provided I get value for the money paid.

93. *Mr. Paul.*] Is Barnego Settlement a success?—Taken all over, I think it is. There is one section vacant at the present time.

94. Have any settlers left or sold out during the five years?—Only one. He applied for a surrender, and the Board at first refused it, but now they have it under consideration again; but no conclusion has been arrived at yet.

95. Is the man still in occupation?—No.

96. Is any one else in occupation?—Not so far as I know.

97. How does the price of land at Barnego compare to-day with what it was five years ago?—I suppose the settlers by their own exertions have increased the selling-value of the land. My section is worth more to-day than it was five years ago.

98. Is there a selling-value over and above what you have expended upon it?—I dare say. The surrounding circumstances will increase the selling-value.

99. You want the option of the freehold?—Yes.

100. In the first place, you would not have been able to take up the section if it had not been for the leasehold system?—That is true.

101. Do you propose to acquire the freehold at the original value or at the value to-day?—At the original value.

102. Do you think that is fair?—The conditions I would stipulate are these: Under my lease I am compelled to reside on my section for ten years. After that time residence is not compulsory. I would give a man who continued to reside on his section after ten years the right of purchase.

103. Suppose he did not exercise the option until twenty years after the date of his lease?—I would give him the option even then.

104. And at the original valuation?—Yes, because I say that he has by his own exertion made the land what it is.

105. We know, in regard to some land settled under the land for settlements, there is a goodwill amounting in many cases to £500 over and above the exertions of the tenant: would you make a present of that to the tenant?—I think any revaluation would only be hampering to the tenant.

106. What about the interest of the State?—I think the interest of the State has been very well conserved already.

107. Is the interest of the State to be conserved by making the tenant the present of a sum equivalent in some cases to £500?—Yes, because I consider in looking after the interest of the tenant the State must be looking after its own interest as well.

108. You think that always follows?—I think so.

109. You spoke of the instinct of ownership: is not the instinct of ownership strong in a man in regard to many other things as well as land?—Most decidedly. It is nature all the world over.

110. It is a very natural thing that a man should want to own his piece of land?—Yes.

111. How are you going to gratify that instinct: do you think there is land enough to go round?—I would still keep the lease in perpetuity open as well as granting the right to purchase.

112. *Mr. Matheson.*] Your farm has gone up in value by the general advance of the district as well as by your own labour?—Yes.

113. Have the values of town businesses also gone up owing to that general advance?—Most decidedly they must have.

114. Do you think it is as reasonable for you to have a right to the general advance in the value of your property as it is for the business-man to have the increased value that has come to him?—I should think so. We ought to be on the same terms.

115. *Mr. McCardle.*] You are holding a lease in perpetuity now, and suppose your section is worth £500 more than when you took it up, to whom does that increased value belong if you wanted to sell out to-morrow?—It partly belongs to me.

116. If you sell out to-morrow and get that sum for the goodwill how much of it will the State get?—If the State gets a good tenant that is all it can get.

117. So that if you got the freehold you would be getting nothing more than you have already in your possession?—Nothing more than a securer tenure.

118. And the State is making no more of a present to you than you already possess under your present agreement?—No.

119. It has been said in some quarters that the Crown tenants do not want the freehold at all, but that certain unions and organizations are stirring the farmers up for political purposes: have the farmers in your district been stirred up by any particular portion of the community for political purposes?—Not at all.

120. You are acting entirely in accordance with your own mind and wishes?—Yes. We had a meeting amongst ourselves before going to the Farmers' Union at all, and two were appointed to go there, and these two happened to be members of the Farmers' Union.

121. You see by the trend of some questions put to you that it is assumed the State has an ownership in your property over and above the fee-simple in your land: suppose you sold out and got a value over and above what your improvements had cost you, if the Government revalued that land and any portion of the unearned increment, so called, was to go to the State, that man would be compelled to return the amount over and above his improvements?—I consider if it was not for us there would be no such thing as unearned increment. The railway would not be put through if it was not required.

HERBERT CLARK examined.

122. *The Chairman.*] What are you?—I am a settler on Barnego. I hold 112 acres, and I pay 11s. per acre rent. I am a neighbour of the last witness, and occupy the same land as he does.

123. You have heard Mr. Stevenson's evidence: do you disagree with any portion of it?—No; I indorse it all.

124. Is there any other point you wish to bring up?—I would like to say we do not approve of the second ballot.

125. Are you satisfied with your section and what you pay for it?—I have to be satisfied with it.

126. *Mr. Johnston.*] You say you have to be satisfied: are there any drawbacks to it?—Yes; we are subject to floods at times.

127. I suppose you knew that when you took the land up?—I had no experience of it when I came from the north, but I was told about it.

128. Is that the only drawback?—There is a drawback in regard to roads. We are part on the hills and part on the flat, and we were given to understand there was to be a direct outlet, but it was never made until we made it ourselves.

129. Do you want the freehold?—Yes, I would like the option of purchase.

130. Is there much Californian thistle on your land?—Yes.

131. Is it doing any harm?—It would if we did not keep cutting it.

132. Could you sell out your section now at a premium?—I do not know that I could.

133. *Mr. Anstey.*] Could you tell me whether the loading promised has been spent on these roads?—It has not.

134. You are certain it has not?—Yes.

135. Can you give us any reason why it has not been spent?—We petitioned the Government, and they always told us the money was voted and they were making a start, but nothing came of it.

136. Do you think the Government has broken faith with you in not providing the roads as they promised?—It seems so.

137. In saying you would like the right of purchase, do you think you have any right to it?—No. I would only like to be placed on the same footing as other people. I think the lease in perpetuity is a good lease, and I should not like to see it done away with.

138. *Mr. Forbes.*] Do you find the Rangers give you any trouble at all?—Not unless we neglect our places.

139. You do not think that any of the regulations they have to enforce are a hardship on the settlers?—No.

140. When you took your section up, of course, the roads were surveyed. Did you understand you were going to get them properly fixed up?—Yes, and river-protection works as well. My section abounds the bank of the river and is loaded for river-protection works, and a certain amount of money was to have been spent straight away. I think £200 a year was to be spent until the protection-works were completed. A portion of it was spent, but we had to petition them several times before it was, and I know I had to give work gratis to get it done. It is still unfinished. The last time the settlers approached the Government they said the money was voted and a start was to be made in a week, and that is the last we heard of it, and land has since been washed away.

141. Did you apply to the Land Board to get the work done?—No, to the District Engineer generally. We applied to the Land Board through our member to use their influence on our behalf.

142. *Mr. McCutchan.*] Have you had anything to do with the Advances to Settlers Department?—No.

143. Do you know the amount of loading for roads in this Barnego Block?—I have not heard of it.

144. You are aware that a certain amount of money has been spent?—Yes, but it was spent where we did not want it.

145. If you are not aware of the total amount of loading and you are aware that a certain amount of loading has been spent, how are you in a position to say that the total amount of loading has not been spent?—If it was spent we consider it has been spent in places that least required it. There was enough money if it had been spent in the right places.

146. Then, that is your objection—not that the total amount of loading has not been spent, but that it has been spent unwisely?—I do not know if the total amount has been spent.

147. Are you satisfied to go on paying interest on the loading for the whole term of your lease?—Not if we have to make the roads ourselves.

148. *Mr. Paul.*] You are a member of the Farmers' Union?—Yes.

149. How many settlers on Barnego are members?—There are about four.

150. Then, instead of these resolutions being the opinion of the Crown tenants they are the opinion of the freeholders in this district?—No.

151. Why not?—We are expressing our opinion apart from the Farmers' Union. We had a meeting of the settlers on Barnego, and we are here to represent the settlers.

152. How many settlers were at that meeting?—All the settlers on the flat were present.

153. Do you want the option of purchase at the original valuation or at the present valuation?—I think it should be at the original valuation.

154. Do you think that is fair?—I think if there is any difference we should be entitled to our share of it. It is due to our own work and industry that the land has been brought to its present state.

155. Do you think you should be entitled to all of it?—I think we should be entitled to the biggest portion of it.

156. At all events, you think the State should be entitled to a portion of it?—Yes.

157. *Mr. Matheson.*] Do you think the State is entitled to a portion of the merchant's business that has increased in value through the advancement of the district?—No.

158. Then, why is the State entitled to a portion of the value of your farm which has advanced in the same way?—I suppose if it was not for them we would not have had it.

159. Is it not the result of the efforts of the country settlers that all town values have advanced?—Yes.

160. With regard to cropping, does it seem reasonable to you that you should be restricted to two white crops on land for which you are paying 11s. per acre, when people who have land for which they are only paying 6s. per acre are entitled to take the same crops off it?—That is according to the way the land is farmed.

161. Do you think it would hurt your land to take three white crops running?—Not at all.

162. With regard to loading, I suppose you know when an estate is offered for sale the plans give a description of prices and quality, and then speak of work to be done: did your plan speak of protective works and roads to be made?—No; we were only given to understand it.

163. Was that on inquiry at the Land Office?—Yes.

164. You had a verbal assurance that protective works would be done at the rate of £200 a year?—Yes, and I drew one of the sections affected by the river.

165. *Mr. McCardle.*] You say you held a meeting among yourselves?—Yes.

166. Was a resolution carried in favour of the freehold at your meeting?—Yes.

167. Was it carried unanimously?—Yes.

168. You consider, of course, that the country has done a good thing in passing an Act granting land on these easy terms?—I do.

169. Are you so desirous of the freehold that you would be prepared to pay something extra to the Government to acquire the freehold?—Not unless they are entitled to it.

170. Do you not consider it would be giving you some consideration if the right of freehold was granted?—Yes.

171. And you would be prepared to pay a moiety for it?—Yes, if they prove they are entitled to a share of it.

172. Of course, the whole interest in that section is yours for 999 years?—Yes.

173. The State is not entitled to any extra amount on that property beyond what you are paying in the shape of rent?—That is so.

174. And if you were selling out to-morrow you are entitled to the value of that holding as it stands to-day?—Yes.

175. *Mr. Forbes.*] You say you applied to the Land Board and to the member for your district to get the loading spent?—Yes.

176. What was the result?—We were always told that a vote would be placed on the next estimates.

177. How long has this gone on?—Ever since I took up the section, five years ago.

178. Who is your member?—The member for Bruce, Mr. James Allen.

CHARLES SHAND examined.

179. *The Chairman.*] What are you?—I am a settler at Upper Barnego, where my sons and daughters and myself hold about 1,800 acres, for which we pay about £300 a year in rent.

180. You represent the settlers in the upper end of the estate and know their feelings?—Yes. I have been in the Clutha district for the last twenty-eight years. I was living with a grown-up family of nine sons and daughters at Tahakopa, and we made up our minds to go in for the

Barnego Estate, and my son was fortunate to secure section 7. One Fraser drew section 8. The way the buildings were arranged made it advisable for us to secure section 8 if possible, so as to keep them all together. Fraser did not fulfil the conditions of the lease and reside on his section, so the Land Board objected and he sold out to me. Barnego, I think, is the worst-valued settlement that the Crown holds. The ballot showed that the settlers knew better than the valuers what to value it at. The sections at the lower end at 3s. were rushed, but at the upper end, where there is snow for weeks on end, we have to pay 4s. 6d. and 5s. There is a petition now in the House praying for a reduction. I heard to-day of one man who will be compelled to throw his section back on the Government's hands. I am very sorry for that, for this particular man is very industrious. We do all our labour within ourselves, practically speaking. We could not afford to employ a great deal of labour, for wages are worse now than they were thirty years ago.

181. *Mr. Johnston.*] You say that the estate is badly valued?—Yes.

182. Were we near your place this morning?—No, my place is ten miles away.

183. Is it on those rocky hills?—Yes.

184. What are you paying?—4s. 6d. and 5s. an acre. There was 1,000 acres that had been lying unoccupied till about a month ago, and the Government reduced the rent for it, and one of my daughters was successful in drawing it.

185. Is that the vacant section we heard about this morning?—No.

186. Is the lower part we were through this morning undervalued?—I would not say that. They are making a livelihood, but they run a risk from the river.

187. Are the majority of the settlers in the upper part dissatisfied?—Yes.

188. All of them?—There are four.

189. What is the carrying-capacity?—It would not carry a sheep to the acre.

190. Would it carry a sheep to 2 acres?—With plenty of turnips for six months of the year it would.

191. How many years will the grass last?—After the second or third year the grass is no use without renewing. The frost and snow are very severe. We will have frost and snow there in the month of October, when we are busy with the lambing.

192. What is the height?—700 ft. to 800 ft.

193. *Mr. Anstey.*] Do you wish the right of purchase?—Yes.

194. On what terms do you wish the right of purchase—on the original valuation or at a valuation to be made now?—On the original valuation.

195. You told us that the rents were much too high, but you are still willing to purchase at the price on which that rent is based?—My sons and daughters wish they had the right of purchase, and that whenever they had a good year they could pay in to the Government whatever money they could spare, so that the amount of their interest would be reduced.

196. You do not mind paying more than the land is worth in order to get the right of purchase?—No; I would not pay more than it is worth.

197. *Mr. Forbes.*] You have applied to the Government for a reduction of rent?—Yes, at the upper end.

198. Are you personally overvalued?—Yes; I would have had to go out the second or third year but for my sons and daughters.

199. Could you get land cheaper in the neighbourhood?—Yes, just across the road land is standing at £1 15s., and the highest at £2 10s. per acre.

200. And you are paying 4s. 6d. and 5s. an acre?—Yes, and all the buildings added on to that.

201. Why not give it up and take the other land?—It is the terms that kill the other land. I like the lease in perpetuity, but there should be the right of purchase. Under that system a man with small means can go on, and with the right of purchase he will take more interest in his land.

202. You do not feel the regulations pressing unduly on you?—I could not wish to serve a better landlord than the Government.

203. You cannot be turned out so long as you comply with the conditions?—No; but it seems to me that settlers never value 999-year leases. You may as well give them twelve-year leases.

204. They would sooner have the right to convert to freehold than continue under any lease?—My sons' and daughters' hearts are in the land, and I would sooner see them invest their money in the land.

205. *Mr. Paul.*] What do you think of the principle of revaluation at stated intervals, say, every twenty or thirty years?—I consider that a farmer who is struggling and improving his farm should have the right of purchase at the original valuation. Any of you can have my place to-morrow if you give me what I have paid for it and put into it.

206. What objection have you to periodical revaluation?—I have no objection to it, but thirty years is a long time. Would the Government be prepared to take it off my hands if I wanted to go out.

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CLINTON, THURSDAY, 23RD MARCH, 1905.

THOMAS TAYLOR examined.

1. *The Chairman.*] What are you?—I am a farmer at Wairuna, where I have 4,000 acres of freehold. I have been farming in this district for thirty years, more or less.

2. Is there any matter you wish to bring before the Commission?—No. I have nothing of my own motion to bring forward, but I will answer any questions the Commission put to me.

3. Have you had any dealings with the Land Board at all?—No.



4. No doubt you have given attention to what goes on in the Land Boards—their work and general administration; do you think the present constitution of the Land Board is satisfactory?—I have no fault to find with the Land Board. I never knew the Land Board to come into collision with any one, or to give a detrimental decision. I do not know how it could be constituted better than at present. If, say, three of the members could have been nominated by the Government and two elected by the people that might be a good thing, but I do not see how it could be done. I look upon it that when men are put into the position of members of the Land Board, if they are honest they will always do what is fair and right when matters come before them. The only point I would wish to mention in connection with the Land Boards is the distribution of its members over the district. For instance, we have two members—one coming from Clutha and one from Tokomairiro. That is too near, and one would do for that area, whilst the other could have been selected more from the interior.

5. What views do you hold with regard to lease in perpetuity or freehold as a tenure?—To my mind, freehold is preferable. My idea with regard to the leasehold is, that it is a very good thing for a man desiring a start, for by its means a man can start farming with far less capital than on a freehold. My opinion is that with all leasehold tenures there should be a clause giving the man the option of becoming a freeholder if he so desires.

6. Have you any particular tenure that you think would be most beneficial in the settling of the country—you know that lease in perpetuity is freehold in effect?—There is something in human nature that makes a man desire to own his land, and even with the lease in perpetuity there should be a clause that the holder can make it his own if he wishes it. For instance, I have a family of sons, and if I had a lease in perpetuity I might not desire the freehold, but when my sons came into possession they might, and under the present conditions that would not be possible of fulfilment. There should be a clause providing that the holder of the lease may become a freeholder if he so wishes, and I think that would be a very good thing.

7. *Mr. McVardle.*] The Land Boards at present meet weekly, and it is proposed that they should meet fortnightly. If they were to hold alternate meetings at different parts of the province so that members might become acquainted with the different localities and the position of settlers, do you not think that would be a wise thing, and do away with the necessity of persons representing different localities?—Yes.

8. Is there anything in connection with the 999-years lease that you think objectionable?—Yes. The matter of there being no option of freehold. If I have a freehold which is stocked, and I die, even though I have no money in the bank, I can so leave my property that my sons and daughters are all provided for. On the other hand, however, if my land is a lease in perpetuity I am unable to definitely provide for any of my family, except the one to whom the lease is left.

9. Have you had any experience of the Advances to Settlers Board?—I have had this experience: that it brought down the interest the freeholders were paying on mortgage. I think that the advances-to-settlers scheme is a splendid thing, and has done a lot of good.

10. Do you believe its powers should be extended?—Yes. They might be gradually extended.

11. *Mr. Matheson.*] Do you think it good for the tenants to give them the right of purchase?—Yes.

12. And good for the State?—Anything that is good for the people is good for the State.

13. Is your farm near the Pomahaka Estate?—Almost adjoining.

14. What did you think of the Government paying £2 an acre for Pomahaka for subdivision?—I did not think it was out of the way.

15. What do you think now?—I think the loading of it is too great. If the settlers had got the land at the price the Government paid for it their rents would not have been out of place.

16. It was necessary to have roads for them?—Yes, but it was not necessary to add the money for the roads on to what the Government paid for the estate. The first purchaser of the land bought it from the Government, and out of that payment the roads should have been made, not out of the second purchase. For those of us who are in the district and not under that system the Government made our roads out of the money we paid for the land, and they should have done the same with Pomahaka. The roads should have been made out of the money paid at the time of the original purchase.

17. *Mr. McCutchan.*] You mean the roads should have been made out of consolidated revenue?—Yes. The original purchase-money was included in that.

18. *Mr. Paul.*] Are you a member of any local body?—No.

19. Are you representing the Farmers' Union here?—The president of the Farmers' Union asked me to speak for the union, but I am not representing them, and I am only expressing my own views.

20. The views you have put before us to-day are not necessarily the views of the Farmers' Union?—That is so.

21. Are you in favour of limiting the area of land which can be held by one man?—Yes, but the quality of the land enters into that subject. Where the soil is good and rich a smaller area will do than in places where the soil is not good. For instance, 1,000 acres in the Taieri would be too much, whereas 2,000 or 3,000 acres down here would not be too much.

22. You think that the limitation should be with regard to value?—Yes.

23. What would you suggest as a limitation?—I would not suggest anything, for I have not studied the question, only I think you cannot limit a man to what he can just work himself. If there were no men in the district who could give employment outside their family it would be a mistake. Some people should have more land than they can work themselves, so as to give employment to others.

24. You think that a leaseholder has not the same incentive to work as a freeholder?—If it comes to a case of that kind, and a leaseholder sees that he is really going to be bested in his land,

he will not make the same effort as a freeholder, who will work night and day to keep possession of his land.

25. You think that the receiving of wages is sufficient incentive for hired labour?—Yes; I would rather myself take my swag on my back and work for another man than begin on a leased place.

26. You do not believe in the leasehold?—Not when there is no incentive to get the freehold.

27. If it is a question of being a leaseholder all your life you would rather have nothing to do with the land?—Yes.

28. Will you not admit that some of your neighbours with leaseholds are excellent farmers?—Yes. My farming experience has been confined exclusively to the Clutha district, and I have known young men take up leasehold farms from private individuals, and at the expiry of the lease in nineteen years have left the place as poor as they were when they went on. That is bad. Had they taken up a freehold at the start they would have been in a much better position.

29. Do you think the present holders of leases in perpetuity should have the option of the freehold?—Yes. I think the option of the freehold should be given in all leases of whatever kind.

30. On what terms would you give that option—the present or the original value?—I would not like to say; I have not studied that question.

31. I understood you to say just now that what was good for the people was good for the State, but now you say you are not sure on what terms you would give these tenants the freehold?—That is so. There are differences of valuation and differences of tenure, and they would have to be dealt with under their own individual system.

32. When you speak of the people you understand that tenants are not necessarily the only people to be considered?—That is so; but if you have a prosperous tenantry all over the State you will have a prosperous State.

33. Is it not possible to give the tenantry something very good for themselves to the detriment of the rest of the community?—No, I do not think so.

34. Do you not think that too much could be given to one section?—I think the Government could look after that and see that too liberal terms were not given. They have not been in the habit of giving away their land without some equivalent.

35. *Mr. Austey.*] You said that all tenants should have the ultimate right of purchase: does that include the tenants of education, Harbour Board, and other endowment reserves?—No. I consider that the land reserved for educational or any other specific purpose should be kept without violation in any way. I would not sell an acre of land that belonged to an endowment.

36. Then, the tenants of these reserves are not deserving of the same consideration as other Government tenants?—There is a bargain, they know what they are doing before they take up the lease, and they know that the land does not belong to the State.

37. Do not the holders of leases in perpetuity know what they are doing?—They know that they are dealing direct with the State.

38. *Mr. McCardle.*] Are you not aware that the rents of those endowments you speak of are received by the Government?—That must be a very recent date.

39. No. The amount of the rents from the Otago educational endowments is deducted from the grant from the Government for educational purposes, so that the whole of the colony is on an equal footing?—Something has gone wrong before that commenced.

40. Do you not think it would be better if all these endowments were taken over by the Government and interest-bearing debentures given in their stead, the endowments becoming the lands of the State?—I am not very clear about that. I notice there is an agitation to have these endowments administered through the Land Board instead of by the School Commissioners, but I do not wish to go into that. The State really parted with the freehold of those endowments in giving them as endowments, and therefore parted with its interest in them.

JOHN CLARKE examined.

41. *The Chairman.*] What are you?—I am a farmer owning 950 acres of freehold, and I have been forty years in the district.

42. Am I right in saying that you come here not only to give your own views but also those of the Farmers' Union?—I just come here to give my own views.

43. What do you think of the Land Boards?—I do not think you can better the present constitution. Members might be more widely distributed. One has been taken away from Central Otago district and given to Oamaru, which is not fair.

44. What is your view as regards the two tenures of the settlement of the country—freehold or leasehold?—I am a freeholder, out and out. I do not believe in the lease in perpetuity in any shape or form. It is not fair to the country or to the people. It is what I call a bastard freehold, and not good to anybody.

45. Do you not approve of the leasehold?—Yes, I approve of a leasehold, and I approve of the freehold. My own idea is that a leasehold should not be of longer tenure than thirty years, and I would be inclined to give the option of the freehold after full improvements had been made, say, in five or eight years. The time during which the option to the freehold can be exercised should be limited to, say, fourteen years. At the end of the lease I think it should be revalued.

46. *Mr. McCardle.*] If the tenure is altered with reference to lease in perpetuity, would you be in favour of revaluation at some particular time?—I do not understand that.

47. You know that the tenants who hold lease-in-perpetuity leases under the Land for Settlements Act pay 5 per cent. and 4 per cent. if they hold ordinary Crown lands: if a person is desirous of obtaining the freehold, would you be in favour at some particular time of having the land revalued, and the holder having the right of purchase at the revaluation fixed on the land?—No, I would not. I believe that those who have got the land direct from the State should

have an alteration from 4 to 5 per cent.—they should pay the back interest, as it were, and both they and the lease-in-perpetuity holders have the right to purchase.

48. You know that in doing that it is said that the Government would be parting with a valuable asset?—They have parted with it already for 999 years.

49. When the State gives the freehold does it not relinquish claims on the land?—No; we get our title deeds under certain conditions.

50. Are you in favour of restricted area?—No.

51. You would allow a man to buy as much land as he likes?—Yes. When a man is in business and his trade is increasing no objection is ever made to his building a larger store.

52. Supposing somebody comes with wealth sufficient to buy the whole of the lands of the colony, there would be no room even for the storekeeper?—You have the power of the graduated land-tax, and can tax him out of existence.

53. You can live without a store, but you cannot live without the land?—That is true, and that is why those on the land should have every favourable preference given to them.

54. *Mr. McCutchan.*] The inference from your opinion is that you are not in favour of the land-for-settlements policy of the Government?—I did not say that.

55. You say you would place no limit on the accumulation of the land?—Oh, I have misunderstood you. Of course, in the cutting-up of large estates I would make certain limits. What I thought you meant was that I favoured stopping the aggregation of estates in a general way. I am in favour of the Government policy.

56. If you do not stop the aggregation of estates, do you not defeat the Government policy?—No. I think the tendency is for the land to be held in more hands, and I think the thing will cure itself.

57. Have you had any experience of the Advances to Settlers Department?—I know a good deal about it. It has been a good institution, but it is no good whatever just now, because no one can get anything from it. They are too hard-up. I do not know personally of that, but I was told it by a gentleman to-day.

58. Did the Government, in the case you mention, assign a reason for not advancing a loan?—No; they need not assign any reason.

59. Do you know anything about the matter of loading for roads?—I know about Pomahaka.

60. We had evidence that if the settlers had got the land at its initial cost they would have done very well?—Before Pomahaka Settlement can be a success the loading will have to be done away with, for it is unfair and unjust. The settlers pay 5 per cent. on the loading for roads for 999 years, and it is calculated that they pay something like £400 per acre. Under the Government Loans to Local Bodies Act you can get money for twenty-six years for 5 per cent., at the end of which time the whole loan is wiped off.

61. You think the settlers should get the estates at the actual cost, without the cost of roading?—I think it should be done out of grants. At any rate, so far as Pomahaka was concerned, money was squandered. The estate was purchased at too high a price.

62. Is it your opinion that a road in Pomahaka district may be a colonial work, and that the colony generally benefits, and the cost therefore should come out of the consolidated revenue?—To a certain extent; but, as far as Pomahaka is concerned, that land had paid rates for thirty-five years to the local body.

63. Your contention is that the loading for roads should be terminable?—Yes; I do not see why a loading of 5 per cent. should not be terminable in twenty-six years.

64. *Mr. Paul.*] Was it a member of the Land Board who told you that no money was available?—Yes, but I could not say whether it was from him personally.

65. I gather from your remarks that it would not be a great evil if one of these large estates got back into one man's hands?—No; I said I would give free trade in land.

66. But it is just possible?—No, because it will not pay.

67. You say it is not possible that aggregation may take place?—No, not in this country.

68. Is it possible for partial aggregation to take place?—Yes.

69. Would that be in the best interests of the colony for one farmer to buy out another?—Yes, in some cases. I will give you an instance. A man cannot possibly live very well on a section of under 200 acres. In fact, you want 400 acres in order to get on comfortably. Supposing a man had 100 acres and another had 100 acres or 200 acres, would it do any harm to the country or to the district if one man were to buy the other out? I maintain that it would do them all good, and it would do the country good.

70. But is it not in the interests of the colony generally to have as many settlers as possible on the land?—I do not think so. It is not in the interests of the colony to have more settlers on the land than the land can maintain rightly.

71. The question of area came under our notice to-day at Pomahaka: do you think those sections are too small?—Much too small. That has helped to ruin the Pomahaka Settlement. The land was £1 an acre to dear. Those settlers who left were those who went to the wall, and those who are left are paying too much.

72. Was that not a state of things and an evil inseparable from the freehold? These estates were aggregated under freehold at Pomahaka?—No; the man who had it did not make anything from it. The land had been begging for years.

73. You do not think that the original owner of Pomahaka held too great an area?—Not if he thought so.

74. You think there is no difference between storekeeping and land?—I do not see why there should be. Without the land there would be no storekeeper.

75. You cannot see that where there are probably thousands of storekeepers in the colony, the area of land is limited, and we cannot add 1 acre to it?—That is an impossibility.

76. The Flaxbourne Estate has been before the public very much lately: do you not think

something will have to be done to insure land being offered to the Government at a more reasonable price?—Yes. I think the Government is paying too much for the land, and I say the country is being “had” in many cases—pretty well everywhere.

77. Do you not think that in course of time the land-for-settlements policy must fail if the Government have to pay too high a price for the land?—In some cases it has failed already. There is Pomahaka and other places in Southland.

78. You do not think it would be a good thing for the colony if that policy were abandoned altogether?—No. I think the Government are doing right in purchasing estates and settling the people on the land by leasehold, but I do not approve of the lease in perpetuity, because I think it is unfair, even to the storekeeper.

79. Can you suggest any way whereby the Government could acquire these lands easier? Do you think an increase in the graduated land-tax would make owners more anxious to sell? I am not suggesting anything in the shape of confiscation?—I have not studied the question in that light.

80. *Mr. Anstey.*] You say you have not studied the question of the graduated land-tax: do you think that if the graduated land-tax were properly adjusted it would of itself prevent any aggregation?—I do not see why it should not.

81. Could it be properly adjusted so as to reduce the areas now being held, and prevent the holding of estates that now are too large?—I could not say.

82. Can you tell me how much of Pomahaka is now unoccupied?—I understand, about 2,000 acres out of about 7,000 acres.

83. Do you know if the Government get any revenue from that portion?—Perhaps a shilling or two now and again for grazing.

84. Instead of the Government leaving 25 per cent. of the land idle, supposing they took 25 per cent. off the rents of the whole of the estate, would it then be a successful settlement?—I think it would be a very successful settlement at 2s. an acre all over. At present I think it is about 3s. 6d. an acre.

85. That would come to the same thing?—Yes.

86. Would all the land be let if the rent was reduced?—Yes, especially if there was a purchasing clause.

87. Should the farms be larger?—Yes, say, 500 or 600 acres.

DONALD MCGREGOR examined.

88. *The Chairman.*] What are you?—I am a farmer at the Pomahaka Settlement, and have 247 acres. My rent is about 3s. 4d. per acre. I have been there about eleven years. I was one of the first settlers. I hold my land under lease in perpetuity.

89. What is your opinion of the tenure—is it satisfactory?—No.

90. In what way?—From the beginning it is not satisfactory.

91. In other words, would you like to have the choice of the freehold?—I have no desire to get the right of purchase of my farm at Pomahaka.

92. You are dissatisfied with the land?—Yes.

93. Would a partial remission of rent satisfy you and cause you to wish to remain?—No; I would not remain on any concession.

94. We saw from your fields that you have done a great deal of improvement—plantations, &c.?—Yes; I have done the best I could.

95. You must have expended a great deal of labour and money in doing what you have done?—More than ever the land will return.

96. You are so placed that you cannot leave it?—Yes. The whole objection is centred round the improvements.

97. Have you any suggestion to make?—None.

98. You have done very well on your place—you have improved it?—Yes. If the place had paid anything towards improving it I would not have minded, but it has done nothing in that respect. The Government say practically that the land is not worth what I am paying for it, even with my improvements added. Even after adding £1 an acre improvements they tell me it is not worth the original amount.

99. *Mr. McCardle.*] Could Pomahaka, as far as your experience goes, be reduced sufficiently in rent so that you could make a fair living out of the 240 acres you now hold?—No. I do not think a decent living could be made out of 250 acres of land at Pomahaka.

100. Suppose the Government were prepared to do a certain amount of draining, and expend a certain amount on liming the land, do you think that would be of considerable assistance to the settlers?—Yes.

101. But you think the area is too small?—Yes.

102. Have you been able to maintain yourself from the land and its products?—No.

103. You have had to take employment outside?—Yes.

104. And you consider your position is hopeless of success?—Yes. I have no desire to continue there.

105. You say if the rents were reduced 30 per cent. and the holdings increased to 500 or 600 acres you think you could succeed?—Generally speaking, I think the settlers would be successful if the rent were 2s. an acre and the area increased to 500 or 600 acres. In that case the settlers might do something, but they would not make a fortune.

106. What is the carrying-capacity of the land in its native state?—About one sheep to 5 acres.

107. What are you able to carry now? I saw a large quantity of turnips in proportion to the area of the farm: what number of sheep are you able to carry now?—Under 150.

108. Do you know anything about advances to settlers?—Yes.

109. Have you had any personal experience?—Yes.

110. Do you find it fairly satisfactory?—No.

111. If the Act was amended in the direction of giving increased amounts to the Government tenants would not that be of assistance to the tenants?—It would. I may state that in several cases—myself included—unsatisfactory replies were received. In the case of one application for a loan the reply was that, owing to the land being rented to more than twice its value, the Department declined to advance anything. The reply in another case—that of a man who had put £1 an acre improvements on the land—was that, with the improvements added, his land was not worth the rent he was paying, and consequently he had no security to give, and the Department declined his application.

112. You think the time has arrived when the State should remove the burden from the settler and place him in a position to make a living on the land?—I think it would be a dead loss to the State to advance under present conditions; but if the settler really had cheap land an advance would benefit him.

113. If the Government were to amend the regulations affecting Pomahaka in the direction you have already said, you think then the settlement would be made successful?—Yes; about 2s. an acre, with an area of, say, 500 acres.

114. *Mr. Matheson.*] Have there been many transfers of sections?—Yes; a great number.

115. And have the rents in any case been reduced?—No.

116. *Mr. McCutchan.*] You spoke of valuations made by the Advances to Settlers Department, and you state that reasons were assigned by the Department for not making the advance?—Yes.

117. Have you seen those reasons in writing?—Yes; one letter was to myself. They had got word from the Land Board that I was in arrears with my rent, and they said that if I could not pay the amount I could not obtain an advance. I have seen other replies sent by the Department. I may mention that in one case the attention of the late Sir John McKenzie was drawn to the matter, and he said the settler was to get an advance, but the Department kept back the amount of his arrears, and they only sent him £3.

118. It is a condition that the rent must not be in arrear before an advance is made. You also said that one settler had applied for a loan, that he had effected the improvements, and that the Department said that the improvements were not sufficient security: have you seen that reply?—Yes.

119. Could we get a copy of it?—Yes.

120. You have heard Mr. Clarke's evidence with regard to loading. Under the present system of loading the tenant has to pay 5 per cent. for the whole 999 years: supposing there was no loading on the land, but the settlers received the money under the Loans to Local Bodies Act, in twenty-six years at 5 per cent. the debt would be wiped out—that was Mr. Clarke's statement—do you not think that would be a much better scheme for the settlers than allowing the land to be loaded?—The Government got some £3,000—10s. per acre—for that estate in the first instance. I think the roads should have been made before the place was settled.

121. That should be made a charge against the settler, not against the Government?—The roads do not belong to the settler, but to the Government. I do not see why we should pay for the roading of Pomahaka.

122. *Mr. Paul.*] You have had a very unpleasant experience at Pomahaka?—Yes.

123. Have you formed any opinion as to the principle of revaluation of leasehold?—Yes.

124. Do you approve of that principle being applied to these leases: in your case it appears you are paying too much rent, and in another case it might be found that the settler is paying too little?—Yes.

125. Under a revaluation clause, such as existed under the old perpetual lease, your rent would be reduced and your neighbour's rent would be increased: do you think that is sound in principle?

I think the settler is entitled to the unearned increment. I do not see why revaluation should take place during a fixed lease. I took up that land eleven years ago, and if it had been at a fair rental and if the land had increased in value I do not see why the Government should revalue the land. After all the work I have put into the place I would be entitled to the increased value.

126. In the case of decrement, as in your case, do you not think you are entitled to a reduction of rent?—It is in the interests of the State to reduce the rent if the State finds a great difficulty in getting a settler to go on the land.

127. Do you not think that in the other case it is equally just that the rent should be increased?—Although I would accept revaluation at the present time, I do not think it should apply retrospectively to the lease. It would only apply from the present onward. If it was fair to revalue land that had been undervalued originally it would be equally fair to make the reduction retrospective to those who had paid too much from the beginning. The Government would not entertain any idea of making the reduction on Pomahaka retrospective. If a settler got his place at a fair rental, and it had increased in value in ten or twelve years, I do not think it is fair to revalue it.

128. Then, it is only in the case of a man's rent being fixed at too high a figure that there should be any alteration made—is that it?—Certainly it should, in the interests of the State itself, and the welfare of the settler is in the interests of the State.

129. But not in the other case?—No, I do not think so.

130. *Mr. Anstey.*] Supposing these reductions of from 30 to 40 per cent. in the rents of Pomahaka were given effect to by the Government, and the sections were made into reasonable-sized areas, would the land then be all taken up?—I could not answer that question.

131. Supposing it was all taken up, would the Government get much less rent than they are now receiving, seeing that one-third of the land is idle?—I believe if they had got 50 per cent. less rent all round since the beginning of the settlement they would have been in pocket. Although there are only about 2,000-odd acres vacant now, it is only lately that some of it has been taken up. There have been as many as three or four settlers on some of the sections at different times,

132. If the Government had reduced the rent by 50 per cent. they would still be as well off as they are now?—Yes.

133. Do the settlers at Pomahaka generally take the rebate of 10 per cent. for prompt payment?—No. The 10 per cent. rebate is no advantage to the man who cannot pay promptly. It is only an encouragement to the man who can.

134. The man who has got a cheap section always gets it, but the man with a dear section cannot take advantage of it?—Yes. The 10 per cent. is of no advantage to the man who is struggling.

135. What have your relations, generally speaking, been with the Land Board: have they been considerate to you as settlers?—I have no serious complaint to make against the Land Board.

136. They are not unduly exacting in respect to the payment of rent in bad seasons?—They enforce the law, and my section has been forfeited once for non-payment of rent.

137. What do they do when they forfeit your section for rent—you are still on the land?—They forfeited a number of sections for non-payment of rent, and there were arrears of rent, and after they had been forfeited for a considerable time the settlers still remained, and they took a temporary lease of their own sections. Some of them instructed the Land Board to reduce their valuation, in order to try and get rid of the land, and when they could not do that they had to reselect their sections. In that way they came in as new tenants and got out of their arrears of rent. I was not included in that number. At the same time the settlers left the land open—they did not want to take up the land if others would take it up.

138. *Mr. McLennan.*] Did you ever apply for an increased area of land?—Yes, several times.

139. Were your applications refused?—Yes.

140. What was the reason?—I, for instance, applied for a section in one block in which there were originally four sections, and because I would not take up the four sections they would not give it. I applied for part of another, and was told unless I took the lot—320 acres—I could not get a part of it.

141. In the case of those who forfeited their sections, what became of their improvements?—A good many took away everything that was portable, and in many cases the Land Board relets the land in order to get some revenue out of it, and the improvements get knocked about in such a way that they deteriorate in value, and consequently become of no value to the settler who went out.

142. Do they take their houses away?—They take away anything they can. I never heard of any objection to any one taking anything away.

143. *Mr. Forbes.*] What did you say on an average the land would carry when ploughed and grassed?—I have about 150 sheep on 250 acres.

144. Did not the Government grow a crop of turnips on the vacant sections to show you how it was to be done?—Yes.

145. What was the result?—I could not say.

146. Were you there at the time?—Yes.

147. Did they have a good crop?—A very fair crop, but it did not pay them. I know that, because I worked on the land for a considerable part of the time during which they made the experiment. I knew what it cost them to put in the crop. I do not think it paid them more than their labour. They ploughed the land and left it in fallow for over twelve months, and some of it they ploughed again. They also manured it. I am sure the expenses amounted to about £1 an acre. What they got for the turnips I do not know, but I do not think it was a profitable crop. A settler would have been out of pocket by it. Turnips do not pay the first season.

148. You do not think the Government made a very great success of the turnip-growing?—Not financially.

149. Did they sow the land down in grass after taking off the turnips?—No.

150. You never heard of what they thought of their experiment. Do you know if they thought you were paying too much rent?—The official reports for years past had praised up the estate. Some of the official reports have come into my hands. They were sent to me from Wellington, but they were not correct in one detail. There are two valuations at Pomahaka, and this is a great objection. There is an occupation valuation and a forfeited valuation. My valuation is probably £1 10s. an acre, but if I were to leave the valuer would come round and reduce the amount by 50 per cent. If the land remains unoccupied for a time the improvements are cut down in value until they disappear altogether. That has prevented the settlers having any heart in improving the land. When a settler is more anxious to leave a settlement than he is to remain I think he virtually ceases to be a *bonâ fide* settler, and that is how I would represent the settlers at Pomahaka at the present time. I do not know any of them who are not very anxious to get away from their holdings.

151. If you surrender your section to the Land Board they do not pay you for your improvements?—No. I would not mind if they did not pay for them as long as they did not abuse them. Immediately after we left they would allow the first person who came along to take up the land and run stock on it, and spoil the improvements. I do not say that the Land Board would not prevent them if they could do so, but it is done, all the same. Immediately a section is forfeited the Land Board is only too anxious to get a few shillings by letting the land, and they allow any one to graze the land with sheep, and I think that is very unfair to the settlers of the adjoining land to get their fences knocked about.

152. Supposing your section is forfeited and it is offered again, and the improvements were, say, £200, and the Board cannot get a tenant for it, do they reduce the value of the improvements?—Yes.

153. But they do not reduce the rent?—No.

154. Do you not think they ought to reduce the rent?—I think they should reduce it proportionately.

155. You think that both the Government and the tenant should each make a bit of a loss,

and not make the whole loss fall altogether on the improvements?—I think any sensible man would try and find out the cause why the land is not taken up. They admit the improvements to be there, and, of course, the improvements deteriorate sufficiently in value without the Board allowing stock to be turned on to the land and knock the improvements about. I notice this also: that when a section is forfeited they generally cut down the improvements to the amount the settler was in arrears with his rent.

156. *Mr. McCutchan.*] With reference to the forfeited sections, when those sections were taken up again did the Government offer the land at the original rental, or plus whatever improvements were made by the man who forfeited and add them on to the rental?—They put the section up at the original rental, burdened with a certain amount of improvements, and if the land was not taken up within a certain time they reduce the improvements. Immediately the settler goes out his section is revalued. If my section were forfeited to-morrow I would not be allowed the valuation that is on the land to-day.

JOSEPH ALLAN ANDERSON examined.

157. *The Chairman.*] What are you?—I am a farmer, and I have also done a good deal in the way of valuing properties. I hold a half interest in 2,500 acres of freehold land, chiefly pastoral land. I have a half interest in 2,000 acres of a Government pastoral run. I have been engaged in farming for over thirty years in this district.

158. Is there any particular point you wish to bring before the Commission?—No.

159. Did you value Mr. McGregor's land?—I valued the whole of Pomahaka about seven years ago for the Valuation Department, and one of the properties for the Advances to Settlers Department.

160. Was your valuation seven years ago greater or less than the actual capital value fixed by the Government?—It was considerably less for the unimproved value.

161. How much per cent. less?—My valuation was about £2 5s., or 5s. less than the Government paid for the land.

162. Have you been over the ground since?—Yes, occasionally.

163. What is your opinion now as to what is called prairie value?—I do not think I would value it at £2 10s. for the unimproved value.

164. To what do you attribute the non-success of the settlers?—The land was bought rather dear, and there was too heavy a loading on it. The rental is about 3s. 3 $\frac{1}{2}$ d.—that is the average. If you capitalise that at 5 per cent. it comes to about £3 6s., leaving about 16s. of loading per acre. That is about £6,000 on the 7,000 acres of land, and I really do not know where the money has gone to. It was never put on the roads. The survey would cost about 1s. an acre, and £1,000 ought to cover the roading.

165. Under whose direction was the roading done?—The Government. I think it was very expensively done. I have got it from very good authority—from old contractors to the County Council and Road Board—who have said that they would have done the work of roading for half the money.

166. You think if they were paying rent on £2 5s. the settlement would succeed?—From £2 5s. to £2 10s.—that is, from 2s. 3d. to 2s. 6d. per acre. I think it would pay.

167. Do you know the character of the settlers—were they men of capital, many of them?—Not many of them, and I think some of those who left had little experience.

168. You think that a man with fair knowledge of farming and sufficient capital, or with a reasonable amount of money might have succeeded?—Not at the present rentals.

169. Do you think the areas were too small?—I think from perhaps 400 to 500 acres would make a nice farm. That area would keep a full team of four or five horses fully employed. 200 acres does not do that, and then they were so far away from the railway that the carrying of grain was costly. I think that a man with 400 or 500 acres could go in more for sheep. If a man has only 200 acres and takes a part of the land for cropping and part in fallow, he has very little left for grazing sheep or cattle on.

170. *Mr. McCurdle.*] You have had some experience under the Advances to Settlers Department?—Yes. I have valued for them in the Taiari and Bruce Counties, and to some extent in Clutha.

171. Do you find that it has worked satisfactorily?—I think the system has done a great deal of good.

172. It has been suggested that a man's interest in the section should be valued, and if his interest is, say, £5 an acre above the Government's interest he should be entitled to borrow up to £3 an acre—that would be up to three-fifths?—I think that would be quite safe.

173. What is your opinion about the tenure?—I have an idea that the Crown should own all the land in the country.

174. You think that with reasonable treatment of the Crown tenants and the removal of some of the restrictions that now exist—placing a man as nearly as possible in the same position as a freeholder, it ought to be satisfactory in inducing people to occupy the land?—I think it would. The great object is to induce close settlement on the land.

175. Do you think there is any necessity for an amendment in the constitution of the Land Boards?—No.

176. You do not approve of elective Land Boards?—No.

177. *Mr. Matheson.*] Do you think in the spending of money on roadworks the local body could do that more economically than the Government?—I think so.

178. *Mr. McCutchan.*] Were you in the district when the loading was being spent on Pomahaka?—I did not see any of the work that was done until some seven years afterwards.

179. You expressed an opinion that you could not see where all the loading expenditure had gone to—about £5,000 or £6,000?—Yes.



180. I understand you to say that old contractors in the district said they could have done the work for half the money?—Yes.

181. Was the work on the roads given to the settlers in the Pomahaka Block?—I have no idea.

182. With reference to the value of Pomahaka, when you valued it and its value to-day you said the two values are about alike?—I think it would be a little better now than when I valued it. The country generally has been more prosperous since my valuation was made. About seven years ago land was at about bed-rock prices. Land generally has increased in value all over the colony since then.

183. *Mr. Anstey.*] You valued Pomahaka seven years ago at £2 5s., and again at £2 10s.: is the latter value since the estate has been roaded?—Yes.

184. Then, taking your present value as being about the value of Pomahaka, it is only worth from 2s. 3d. to 2s. 6d. an acre?—That is so.

185. That is to say, it is about 1s. an acre too dear?—Yes, about that.

186. Supposing the rents were reduced by 30 per cent., do you think the land would be taken up?—Yes, I think so.

187. In that case would the rent the Government receive be much less, if any, than it is now?—I have not gone into a calculation on that point.

188. You said that you thought it would be quite safe for the Government to advance up to three-fifths of the improvements: would you recommend up to two-thirds in the case of Pomahaka?—I would not advance up to two-thirds of the improvements. Three-fifths would be the outside I would advance to.

189. Would you be prepared to recommend an advance up to three-fifths of the improvements of Pomahaka?—From one-half to three-fifths. Improvements are things that disappear if they are not looked after.

190. If you valued the improvements to-day, and the amount was not paid in, say, twelve months, possibly the improvements may have disappeared?—Not so soon as that, but they would depreciate to a far greater extent than the unimproved value of the land. Three-fifths would be the outside that I would recommend.

191. Would you recommend that three-fifths of the cost of grassing would be an item on which to make an advance?—Grassing might disappear or be worth very little in a few years. If the ground is sour or cold, in a few years the grassing would be of little or no value.

192. You would not recommend a large advance on grass?—No.

193. *Mr. McLennan.*] Are you aware there is a Government lime-kiln at Dunback?—I have heard of it.

194. Do you think it would pay the Government to supply lime free to the settlers at the railway-station here?—I think a good deal of Pomahaka land would require draining before it would give good returns from lime.

195. If the farmers would drain the land would it pay the Government to give them lime gratis delivered at the railway-station?—I would not care about committing myself to answer that question.

196. *Mr. Forbes.*] You heard one witness say that he got a reply from the Advances to Settlers Department saying they could not advance anything on the Pomahaka sections on account of their having been rented too high: was that so?—I valued one of the sections at Pomahaka, and there was some correspondence between the District Valuer at Invercargill and myself about the matter. I understand the advance asked for was £100, and I valued the settler's improvements at about £250 or £260. He was entitled to considerably over £100. The question was put to me then, "What is this man's goodwill in the property for his improvements?" And I replied that the property, with his improvements, would not let at more than the unimproved rental, and consequently he had no goodwill in it, and, I understand, they refused the advance.

197. On that account?—Yes. I could not say that there was any goodwill in the place.

198. You could only see that the sections, with the improvements on them, were merely worth the rent he was paying without the improvements?—Yes.

199. And you advised the Department to that effect?—Yes.

200. *Mr. McCardle.*] I proposed in my question that advances should be made on the value of the goodwill, including improvements—that is what I mean—on future advances under the Advances to Settlers Department?—Many of the settlers thought it was a very hard thing when they had made a couple of hundred pounds' worth of improvements that it should be said there was no goodwill.

201. You approve of the advance being made on the goodwill or interest rather on the improvements: do you think that is the safest thing?—Yes.

EDWARD CLEMENT examined.

202. *The Chairman.*] What are you?—I am a farmer at Pomahaka, and have 288 acres. My rent is 3s. 6d. an acre. I have been at Pomahaka since the beginning of the settlement.

203. You heard the evidence of Mr. McGregor: do you generally agree with what he said as to the settlement?—In many respects I do, but in some I do not.

204. Wherein do you differ from Mr. McGregor?—In the first place, I differ from him slightly in regard to the value of the place. I think he has slightly undervalued the land. I think it is worth £2 10s. an acre in its natural state. That is the price the Government paid. I have managed to exist on my place, but I cannot call it a living. I have a family, and they are assisting me now. I am engaged in mixed farming. I think the cost of roading and surveying has been rather excessive, and that the load is too much for the land. I have always been of opinion that the loading should not have been put on the land, but that the money should have been taken from the consolidated revenue. I think the rent should have been 2s. 6d. an acre all over.

205. *Mr. Matheson.*] If you could sell out your interest in Pomahaka now, and get for it the capital you have sunk there, would you be very pleased to get out of it?—Yes; I would like to get away very much.

206. *Mr. Paul.*] How was the roading done?—By co-operative labour.

207. I have been told that that co-operative labour was unsatisfactory because the men were unqualified for such work?—In many cases it would be so.

208. *Mr. Anstey.*] Are you satisfied with your lease in perpetuity?—Yes, from my own point of view, but I would like to see the option of the freehold given. I do not think I would try to make my land freehold, but I would like to see the option given.

209. Are the sections at Pomahaka suitable as to area?—In some instances they would not be, but in my case it has not been so, as under the Act my wife could take up 320 acres and I could take 320 acres, so that I got more than one section.

210. *Mr. Forbes.*] The last witness said if the sections were increased to 400 or 500 acres the settlers would have a better chance of making a living?—I think 200 acres is not enough for a man with a family.

211. You think a reduction of rent is necessary before that estate will be a success?—Yes.

212. You think it would be much better if the Government made a reduction at once, so as to enable the settlers to make a fair living?—Yes.

JOHN HERRIOTT examined.

213. *The Chairman.*] What are you?—I am a settler at Pomahaka, and have 870 acres of land, and am paying 3s. 4d. and 3s. 6d. an acre. I have held the small section for about six years and the larger one for about twelve months. The land is held under lease in perpetuity. I believe that the roading has cost about £6,000. If the Government had given me that work to do I would have done it at one-half the cost. I think that £6,000 is double the price the roads ought to have cost.

214. Do you think you are going to make a success of your section?—If the rent is reduced. A reduction in rent was promised me by the Land Board. I took up this land under the belief that I would get the rent reduced.

215. *Mr. Forbes.*] Where did you get that belief?—From Dunedin; but I would not like to mention the name.

216. You did not get it officially?—It was only by word of mouth.

217. Did any members of the Land Board tell you that if you took up the land there would be a reduction in the rent?—They said it would have to come down in rent.

218. You thought it was good enough to risk?—Yes.

219. The present capital is too high?—Yes.

220. From your experience you think you cannot make a living on that land?—That is so. I paid the Government £250 for improvements when I went in, and I suppose I have laid out £300 in fencing and other improvements. If I went out to-morrow Goodness knows where my improvements would go to. I know that if things do not prosper with me I will go back to ploughing again.

DAVID BARRON examined.

221. *The Chairman.*] You are Commissioner of Crown Lands for Otago?—Yes.

222. Will you shortly state to the Commission what you desire to say?—I merely want to reply to two or three statements made by Mr. McGregor. Of course, I can only reply to them so far as my experience goes as Commissioner for Crown Lands in this district. In the first place, he said that official reports in connection with Pomahaka have been falsified. That I deny. The official reports sent to the Government during my time have been true in every particular, and I think it is very wrong that he should make such a statement as he has done. The next statement was that the Land Board deliberately turned stock out into the sections that had been forfeited, and he left the impression that the Land Board were parties to the neighbours' stock being turned out on those sections. I wish to deny both of these statements. Another point raised was this: as to the question of reducing the rent. I think the members of this Commission, without cross-questioning a witness, must know that there is no power under the Act to reduce the rent. When a man forfeits his section the full market value is put on the improvements, and in a very short time, if the section is not taken up, they depreciate very greatly. After the lapse of a given time the rule is for the Land Board to reduce the value of the improvements by 25 per cent., and I think Mr. McGregor and other settlers will agree with me that the improvements depreciate to that extent within the time the Board generally allows for the section to be taken up. The Commission knows that I do not want to interfere with the evidence of any witness, but I cannot avoid giving this denial to those two statements.

DONALD MCGREGOR further examined.

223. *The Chairman.*] You said that the reports on Pomahaka which you allege to be inaccurate were official reports?—I may say that the official reports were sent down to me from Wellington from the House of Representatives—I do not know by whom—and I say that those reports relating to Pomahaka were false. They gave a glowing account of Pomahaka all round. I deny the proof of those statements.

224. Do you remember whose report it was?—I could not say, but it was before Mr. Barron's time as Commissioner. I shall forward them to the Commission, and point out the misstatements. So far as Mr. Barron is concerned, I may say that he has been a most conscientious officer. He has been very lenient, reasonable, and approachable in every way, and in the matter of education he has been very good in working hand-in-hand with the Education Department in order to give education to the children in our district, and I say that you could not find in Christendom a better officer than Mr. Barron.

TAPANUI, FRIDAY, 24TH MARCH, 1905.

WATSON SHENNAN examined.

1. *The Chairman.*] What are you?—I am a sheep-farmer. I own about 13,500 acres of freehold at Conical Hills, and I am a lessee of 36,000 acres on the Maniototo Plains, being the Puketoi Run. I hold the latter on a twenty-one-years lease, and it has fifteen years to run. My wife has a lease also for 22,000 acres at Puketoi, and on the 58,000 acres I share 17,000 sheep.

2. What is your opinion in regard to the constitution of Land Boards?—I think the present constitution has worked very well in the past, and I do not think any improvement could be made.

3. In regard to the question of tenures, which do you think is the most suitable to promote successful settlement and conserve the interests of the State?—I believe in the old system of deferred payment.

4. That implies, of course, obtaining the freehold?—Yes.

5. What is your opinion of the lease in perpetuity, so far as you have observed the working of that system?—I have no objection to the lease in perpetuity, but I do not favour it. What I do object to is that the lessee should be exempt from taxation. I think there should be a revaluation for taxation, and that the lease-in-perpetuity holder should not be permitted to go on for all time paying taxes on the original value. I think they should be subject to the same taxation as freehold land is. My reason for that is simply this: my leaseholders are in possession of land that is quite as valuable as freehold land alongside them, and I do not see any reason why these people should not contribute equal taxation to the State with the freeholder. I do not see any difference between a lease in perpetuity and a freehold.

6. In regard to pastoral runs, you are aware that a large part of Otago consists of pastoral country, and that a great deal of the low country has been taken away, and that there is more high country left in the hands of the Government than there is low country to work. The problem in the future is what to do with these runs, and I would like to know if you have any suggestion to make as to the best way in future leases of dealing with this great area of mountain country?—I think the only way to deal with them is to give a fairly long lease, say, for twenty-one years, with valuation for improvements.

7. Do you think that the present valuation for improvements—namely, three years' rent under £50 and five years' rent where the rent exceeds £50—is enough?—That gives no encouragement for sowing grasses or anything of that kind. On many runs the improvements are worth a great deal more than three or five years' rental.

8. Have you tried surface-sowing of grass at Puketoi?—Yes, but the grass spreads very slowly. The grass sown upon the ploughed ground there grows into tussocks, the same as the old native grasses. The grass will not sward. We do not seem to be able to grow beyond a certain amount of forage unless the ground is irrigated. In many cases the native pasture is preferable to artificial grasses. I sowed ryegrass and clovers. Cocksfoot is no good there because the ground is too dry.

9. What area did you sow?—I suppose, about 1,000 acres. It was partly surface-sowing and partly after cultivation.

10. And would your experience with those 1,000 acres induce you to go on doing more?—Not on the plain. On the mountain perhaps it would do better.

11. Then, you may sow more?—Not under my present lease.

12. We have heard a good deal about Puketoi Run since the beginning of the inquiry, especially in the Maniototo district, and we got a specific statement there that the run could be very well cut up into a series of small runs: would you like to express an opinion on that?—That is my chief object in coming here to-day. I believe people are beginning to shake their heads and say that there has been some irregularity between myself and the late Minister of Lands in connection with the run. I will be very pleased to give any information I can.

13. I do not think there has been any suggestion of irregularity?—A great many questions have been asked which pointed to something of the kind. It was stated that a very large petition had been prepared, and that, notwithstanding the fact, the authorities concerned—namely, the Land Board and the Minister of Lands—for some reason relet the run for twenty-one years when the people wanted it. I think I am justified in saying that the petition referred to never reached the Minister of Lands nor the Land Board.

14. I think it was said there were seven or eight hundred signatures to the petition?—A large petition went up within the last year with four hundred signatures, which I see have now grown to eight hundred.

15. You mean to allege that the petition referred to as having been sent before the run was relet never reached the Minister?—I believe I am correct in saying so.

16. Supposing your lease were out now and the run reverted to the Government to deal with, do you think it could be cut up conveniently into two or three runs?—It would cut up if you chose to spend the money on the fencing, but it would be most difficult to cut up on that account. The depth of the run from the bottom of the hill to the back boundary is about nine miles, and owing to the local character of the country it would be very difficult to fence at all. The whole fence of the country is covered with rocks, and fences would have to wind in and out between them. I am on what is called Rough Ridge.

17. I notice by the map that the run has been put into several divisions. Was it offered to the public in these divisions?—Yes, for public competition.

18. What was the result?—I had competition for them, but I succeeded in securing the lot at a rental which was equal to more than twice the value of the run.

19. What is your rental for the 36,000 acres?—About £900, and Mrs. Shennan pays £450 for her 22,000 acres. It is about 6d. per acre. I would like to state we have other land as well. I hold 1,200 acres of forest reserve under temporary lease from the Crown at 1s. per acre rent,

and another reserve of about 800 acres for which I pay 6d. per acre rent. In addition, I have 1,500 acres of pre-emptive right. On all this land I only shored seventeen thousand sheep.

20. So you really have 61,500 acres for seventeen thousand sheep?—Yes.

21. Then, you are paying quite 2s. per sheep?—More than that. I may say the forest reserve and pre-emptive right are winter country.

22. What is your average clip?—A little over 8 lb.

23. You have just been showing us photographs of the sheep you originally imported from Germany in 1861, and of your present sheep which you have developed from them: what was your clip when you first started?—The runs at that time were covered with a good sward of grass, and wool was in a very much heavier condition than it is now. It produced much more yoke in the wool, and the clip would be about the same as now, but it scoured down 40 per cent. I think the loss in scouring would have been much greater then than it is now. It was about 30 per cent. greater then.

24. Is that 30 per cent. arrest of depreciation due to the better quality of your stock now?—Yes. The original stock, if kept on the ground now, would not produce more than 5 lb. of wool.

25. Then, I suppose this raising of your flock to this high standard has cost a great deal of money?—Of course, I derive part of my profits from it, but it has cost a large sum. The importation of the sheep from Germany cost about £3,000 originally, and I have bought sheep in Australia that have cost me about £300. Altogether it has been the work of a lifetime. I would like to explain one matter. Questions have been asked several times by the Commission how was it I was able to secure another lease of the run. I feel that some reflection has been cast not only on myself but on the late Minister of Lands, and I would like to say a word or two in connection with the matter. I am under oath now, and I state that I never said a word to either the Minister of Lands or any member of the Waste Lands Board to influence them in any way in connection with offering the run to the public. What they did they did entirely on their own initiative. I believe they were influenced by the knowledge that the flock upon that run was a useful one to the country. There was also this other reason: the late Sir John McKenzie met me afterwards and said, "You have been a good tenant to the Crown. Much of the land in the interior of the country has gone to the bad, but your run has been looked after, and the grasses have not perished through overstocking." I think that the agitation that is going on in the interior for bursting up the runs is quite legitimate, but at the same time I think they should respect what has already been done by the Waste Lands Board and the Minister of Lands. I believe that everything that was done was fair and above-board. It was let out at public auction, and there was no hole-and-corner business about it. The rent received from the run was a fair good rental, and I am quite satisfied there was no corruption in any shape or form in connection with the reletting of the run. I may say I had nothing to do with either of the petitions I have referred to.

26. You simply went to the auction-room and bid higher than any one else for the run and you got it?—I was being blackmailed, but I refused to give way.

27. Have you much loss by death in this high country?—About 6 per cent.

28. Did you suffer at all in those great snow-storms?—That is one matter I would like to mention. During the last severe storm of 1903 preparation had been made to a certain extent for a recurrence of the storms that had taken place. Fortunately we had on the run an accumulation of sheaf oats, and that year had been rather a good year, and we had an extra quantity. Had it not been for that the losses on my run would have been just about as great as on any run in the country. Another thing that helped us was that we had 300 acres of the forest reserve in turnips that year. We used a snow-plough to uncover the turnips, and in that way we saved our stock.

29. What is about the altitude of this forest reserve?—I think it is about 1,200 ft.

30. *Mr. Paul.*] I think the general evidence we have had in regard to Puketoi was that it was an ideal run for subdivision: do you think there is enough winter country and summer country to enable the run to be divided into smaller workable areas?—Yes, if you cut it into 10,000-acre blocks.

31. It was also suggested that if Puketoi were cut up the surrounding farmers and graziers would take up part of it: do you think that is practicable?—Of course, it could be done. The question arises, Would it be more profitable to the State to cut it up than to hold it as it is now? I consider the flock at Puketoi is a flock that the country could do very badly without. The number of rams sold is somewhere between four and five hundred every year. These sheep are wanted, and the people know where to find them. I may say I am almost a monopolist in ram dealing. This year I am selling rams at £2 2s. apiece, so you will see I do not take any advantage of the people who require them. In some years I might charge three or four or five guineas, but this year the price is two guineas, although other rams are selling at five and six guineas and more.

32. Then, you think decidedly that the interests of the State are best conserved by leaving Puketoi as it is?—I am very sure of it. You cannot get a better tenant than I am.

33. Then, even if you did go out, are you in favour of leaving the run as it is?—It could be put into, say, 10,000-acre blocks, but any one who has not seen the configuration of the country can form no opinion as to the great difficulty of cutting up the run. You cannot get a good fencing-line anywhere for rocks. It would cost £100 a mile and more to fence it into small areas.

34. Have you any knowledge of Ross and Glendining's three runs—Blackstone Hill, Lauder, and Home Hills?—I know the country.

35. Do you think these three runs taken together are suitable for subdivision?—They might be held in smaller areas, but still you would require to subdivide so as to have a large percentage of low country with the high country.

36. Would the taking-away of Blackstone Hill seriously impair the value of the other two runs?—Very seriously.

37. Do you think the other two could be worked without Blackstone Hill?—I think the bulk of the other country is only fit for summer grazing. As it is now it is workable, but if you cut it into much smaller areas it would not be workable.

38. How long have you been at Puketoi?—I have been in the colony since 1857, and I bought Puketoi Run in 1868.

39. How does the pasture of that country compare to-day with what it was when you took it up?—It does not compare at all. The grass then was waving and in splendid condition. I might mention that originally I took up a portion of what is known as Galloway's Run, my brother and I having explored that country, and at that time you could not have seen better feed for sheep anywhere in the world. Now it is a barren waste.

40. Can you suggest any means whereby this growth might be promoted again?—I do not know of any means. There has been nothing to hold the soil, and it has blown away and disappeared.

41. You spoke of valuation for grassing: do you see any difficulty in giving valuation for grassing?—I think it would encourage a tenant to sow grasses.

42. Do you see any difficulty in arriving at a fair valuation at the end of the lease?—I think there would be some difficulty. I do not think any one would derive the full benefit of the cost of sowing it.

43. *Mr. Forbes.*] You said that the holders of lease-in-perpetuity sections should be subject to taxation to their full value: if a freehold is mortgaged has the owner not a right to deduct the mortgage off the value of his freehold?—Yes.

44. Is not the lease-in-perpetuity holder in the same position, because the Crown practically holds a mortgage on his land to the amount of the original value, and he pays 5 per cent. interest on it?—What I wanted to convey to the Commission was that a man holding a 999-years lease should be put on the same footing as a freeholder to a great extent. I think that he should be subject to the same amount of taxes, and that for taxation purposes his country should be valued in the same way as freehold.

45. Is that not done at the present time: the lease-in-perpetuity section is valued and the amount of the Government mortgage on which rent is paid is deducted, and the value of improvements are also deducted, and the leaseholder has to pay land-tax on what is left?—I was under the impression that the lease-in-perpetuity holder was not subject to land-tax.

46. *Mr. Anstey.*] You said that the preparations you made greatly minimised your losses in the snow-storm?—Yes.

47. We had in evidence that many of the large runs suffered heavy losses: could they also have minimised their losses in the same way as you did?—A certain amount of preparation could be made. It is difficult after a big snow-storm to feed sheep on the mountains. They get stuck up, and you cannot get them to where the food is.

48. You have done it, and, I suppose, others could have made proper precautions?—A good deal could be done.

49. Could it be done easier on a large run or a small run?—On a small run, I think, if there is more assistance.

50. Do you think they should have made better provision on the Morgan Hills Run, consisting of some 350,000 acres, to minimise their losses which, I think, total 60 per cent. of their stock?—Very little could be done.

51. The run is too large for the purpose?—Yes.

52. *Mr. Matheson.*] Do you think under the present land-administration the lease in perpetuity is more likely to give prosperous settlement or a lease with the right of purchase?—I am decidedly in favour of a lease with the right to purchase.

#### JAMES SIM examined.

53. *The Chairman.*] What are you?—I am a retired farmer. I used to farm in the Crookston district from 1876 up to the last five years. I used to hold close on 900 acres. My first tenure was deferred payment, and I made it freehold. I wish to state that I represent the Tapanui Branch of the Farmers' Union.

54. What is your view in regard to the tenure that is really the best to promote the settlement of the country and the welfare of the settlers?—We never had a better system than the deferred-payment system. I think you, Mr. Chairman, passed through my property some years ago, and you saw evidence of that as you went through.

55. What do you think of the lease in perpetuity, which has been in vogue some years now?—Not very much.

56. What is your objection?—I object to it because it is giving away all this land in a manner actually for nothing. Who is to say at the present time what the value of that land will be a hundred years hence, let alone in 999 years. There is another thing. I am not quite sure in my mind whether any provision is made in settling the land in this way for a man to subdivide his leasehold among his family.

57. It can be done with the approval of the Land Board?—I just thought I would mention it. I may say that people here are all freeholders. The land is chiefly freehold for thirty or forty miles right round here.

58. You are giving evidence for yourself and on behalf of the Tapanui Branch of the Farmers' Union that the freehold system is favoured here?—Yes. I also object to the lease in perpetuity in that when blocks are set aside no adequate provision is made, as there was under the option of purchase, for contributions for the local bodies for roads. Under the old system the local bodies had a fourth of the upset price for making roads, but under the lease in perpetuity they only get a fourth of the rent paid, and that is a mere bagatelle.

59. *Mr. Paul.*] All the farmers in this district are freeholders?—There are a few exceptions. There are three or four leaseholders at Dusky. You had one before you at Wyndham. There are a few very small leasehold sections in the Township of Heriot and this bush settlement round here. They are all doing fairly well, except one settlement in the riding. The land is very poor there, and I do not believe it is a success. They are all believers in the freehold there. I may say also I object to the ballot system *in toto*. I have seen it urged that if land is put up to auction it might fetch fictitious prices. That has not been so in this district. I may mention that the properties belonging to Messrs. Dealvy, McKenzie, McIntyre, Logan, and McKellar, all within a radius of thirty miles from here, were all cut up by the owners and sold on the fall of the hammer, and I do not think there is any one here but will admit they have been a success all through. This district is peopled by a prosperous set of farmers.

60. You object to the lease in perpetuity because it is unfair to the State?—Yes, that is my objection.

61. Of course, you know the policy of the Government under the Land for Settlements Act: do you think it would be advantageous to give the settlers under that Act the right to acquire the freehold?—That is a question that would require some consideration. It depends on the time you try to make it freehold. If it was made freehold at once probably you would not require any compensation for improvements, but if it was put off for some years some compensation would be wanted.

62. You think that if these settlers get the option of the freehold the section should be put up to auction, loaded with the value of the improvements?—That is my idea.

63. *Mr. Forbes.*] You think that the lease-in-perpetuity tenant has a pretty good bargain?—It is better than the freehold, as far as I can see.

64. He has got the place on a 5-per-cent. rental and he has to find no capital, and he can deal with his section in any other way, the same as a freehold?—That is so.

65. Do you think the State would have done better if it put this land up to auction?—I think everything should go to auction.

66. And leases providing for the right to purchase?—Yes. I look upon land as a commodity. All commodities are sold to the highest bidder, and why should land be treated differently.

67. You think that the State should deal with the land on business principles and get fair value for it?—Yes.

68. *Mr. Austey.*] When you refer to the number of leaseholders in the neighbourhood do you mean Crown or private leaseholders?—Crown leaseholders.

69. Is there any number of private leaseholders?—I am not aware of any.

70. Have you had a meeting of your union to discuss the Land Commission?—It was left entirely to myself.

71. How were you delegated to do so?—I was asked the question by the chairman whether I was in favour of the freehold, and I said I was a thorough believer in the freehold.

72. Then, to-day you do not represent the Farmers' Union at all, but the opinion of the chairman of the Farmers' Union?—Not at all. I was asked the question at the meeting of the union, and the whole meeting concurred in what the chairman asked me.

73. Then, there was a meeting?—Oh, yes; a public meeting. You must not run away with the idea there was no meeting.

74. Do I understand you are not a member of the union?—I am a member of the union.

75. Can you tell me how many members were present at this meeting when you were asked to represent them?—So far as I remember, there may have been about fifteen. It was a small meeting.

76. You do not know whether it was by a majority that they asked you to represent them as being in favour of the freehold?—They were unanimous.

77. *Mr. McCardle.*] You believe in the deferred-payment tenure?—Yes. It is the best system ever advocated.

78. Say a section of land belonging to the Government is for sale, and the value of that section is £1 per acre, and if it is offered on deferred payment an extra 25 per cent. is charged, making the value £1 5s.: is that a fair bargain on behalf of the State?—I have never given the matter any consideration.

79. Would it be fair for the State to sell that land for £1 per acre to the freeholder?—I think so.

80. Then, would it not be fair for the State to give the same right to the man on the leasehold at 4 per cent.?—You are going into the depth of the question, and I have not gone into it.

81. Then, you condemn the leasehold system and say it is tying up the land for ever: on the one hand you say it is quite right the State should sell at £1 per acre to a freeholder, and on the other that it is not right to tie that land up on lease at the same price?—I say you are tying it up for all time.

82. It does not matter when you are getting your interest for all time?—It means a great deal. It will take a great deal to convince me that the leasehold is better for the colony as a whole than the freehold.

83. Would it convince you if there were a hundred prosperous settlers in this district instead of one man holding all the land?—I believe in settlement.

84. Then, you think that every facility offered to people to settle on the land is best for the State?—Yes.

85. Can you make the terms too easy to produce that good result?—I would like them to get on lands on as easy terms as possible, but let them have the option of purchase. I did not come all this distance to be a serf all my life. I would like to add, in regard to the Waste Lands Board and the School Commissioners, that I believe in the nominated system at present obtaining. They are free to express their own opinions, and they are not sent in as the nominees of any class of settlers.

86. *Mr. Matheson.*] Does it seem reasonable to you that these two bodies should exist to administer lands within the same area, or do you think it better that the Land Board should administer the whole of the land?—I think they have all got quite enough to do, and I think if you put the two together you would incur heavier expenses in administering the land.

GEORGE HEPBURN STEWART examined.

87. *The Chairman.*] What are you?—I am a farmer at Crookston. I farm 460 acres of freehold. I am here to represent the Crookston Branch of the Farmers' Union.

88. Is there any particular point you wish to bring before us?—I may say the Crookston Flat was settled under the deferred-payment system, and it has been a great success; and these settlers and the sons of these settlers, on account of the success of that settlement, are very greatly in favour of that method of selling land. Personally, I have had no experience of it; but everybody out there has a freehold, and they believe in the freehold and they believe in the deferred-payment system for taking up land.

89. How many members are there in your branch?—About forty-five or fifty.

90. How many were present at the meeting at which you were appointed to represent them?—About thirty.

91. Was that decision unanimous?—Yes; absolutely.

92. What do you think of the lease in perpetuity?—I think it is a very good thing for the country, because it has been the means of enabling many people to get on the land who would not otherwise have been able to do so, and if it had the right of purchase attached to it I believe it would be admirable.

93. *Mr. Paul.*] You would add the deferred-payment system to the present land-tenures?—I would not like to say. Personally, I do not know much about it; but I was instructed to say this branch is in favour of it, because the members have had some experience of it.

94. Then, you do not know whether it would be wise to settle land under the land-for-settlement policy on deferred payment?—Personally I cannot say. I would be quite satisfied with the lease in perpetuity if the right of purchase was given.

95. *Mr. Forbes.*] Is your Farmers' Union a strong union?—It embraces everybody in the district but one.

96. The farmers there think the best bargain a man could make out of the State is the freehold?—They think a man would do better for himself, and therefore for the country, if he got the freehold or a prospect of the freehold.

97. Do you think it would be better for their pockets?—I think there is a certain amount of sentiment in it. I do not know how much it affects their pockets.

98. *Mr. McCordle.*] You have no particular objection to the lease in perpetuity without the right of purchase?—No; I do not think a man should be forced in a certain time to acquire the freehold, but I think every man should have the option.

99. Does the Farmers' Union in any way advocate any particular tenure to the settlers here?—No. The question never cropped up until this Commission came round, and then the union discussed what evidence would be brought before the Commission.

100. Are you satisfied with the Land Act as it now exists? You are aware of the three systems under which land can be acquired—namely, with the right of purchase after ten years after paying 5 per cent., or under lease in perpetuity at 4 per cent., or for cash after certain improvements, or under the Land for Settlements Act under lease in perpetuity at 5 per cent.: do you not think that Act as it stands, if conscientiously administered, would meet the requirements of most of the settlers?—I think it would settle a great many more people on the land, and I do not see that it would be any drawback to anybody if the lease in perpetuity carried with it the right of purchase.

101. A person has the right to take up land under any of these three systems, and, except on the goldfields or under the Land for Settlements Act, he can take up the land with the right of purchase by paying 1 per cent. extra?—That is so.

102. Is that not quite liberal enough?—It is certainly very fair; but I think it would be an improvement if you had the right of purchase.

103. *Mr. McLennan.*] Are there any lease-in-perpetuity holders members of your union?—I do not think so.

104. May I ask what particular interest your union takes in the lease in perpetuity, seeing there are no lease-in-perpetuity tenants belong to your union?—We take this much interest: Although I have no sons I wish to put on the land these other men have, and these men are interested in the question owing to the fact that they want to settle their sons on the land, and therefore they have as much right to interest themselves in this question as you have or any other lease-in-perpetuity settler.

105. The only interest I see at the present is that if you have the option there would be more property for sale for your sons?—No.

106. Or more mortgaging, and you could step in and get the mortgage?—I do not see what that has to do with it.

107. I do not see what other interest you have in it?—I say these freehold farmers have sons whom they wish to settle on the land, and they are as much interested in the tenure of the lease as anybody else; and if they want a freehold for their sons because they think it is the best tenure they have a perfect right to express their views on that point.

108. They could get the freehold now?—But how many men could go and buy a farm costing £4,000 or £5,000 for their sons? They must take the land up on lease, and they want a lease with the right of purchase.

109. It seems strange that the Farmers' Union should take such a keen interest in the freehold when the lease-in-perpetuity holders do not come forward themselves?—The Farmers' Union simply expresses the opinion of the farmers in the district, and I presume it is that opinion the Commission wants.



110. *The Chairman.*] Is there anything else you would like to mention?—One point has been brought up, and I have been asked to mention it, and it is that decent seed should be sown when the high country is being regrassed by surface-sowing. We saw it had been mentioned that men had bought screenings and rubbish for this purpose. We do not think that should be allowed.

ROBERT WOOD examined.

111. *The Chairman.*] What are you?—I am a farmer and runholder. I hold 1,400 acres of freehold at the Beaumont. I also hold 20,000 acres under partial lease on the Blue Mountains, close to Tapanui. My lease is for twenty-one years, and I have held it three. My rent is £125. I carry altogether on the freehold and leasehold about six thousand half-bred sheep. My freehold is winter country for the rest. My average clip is about 6 lb., and my average losses about 6 per cent.

112. What particular point would you like to bring before the Commission?—The questions of surface-sowing and noxious weeds. I have surface-sown a good few thousand acres of the run, and the results have been very good so far. I use cocksfoot and white clover. I paid £50 this year for grass-seed, and I do not remember how much before that. I think it was profitable to do it. I want to say, in regard to noxious weeds, if the Act is enforced there is no man I know of who will be able to hold a run at all so far as ragwort and Californian thistle are concerned. I have been cutting them, and so forth, but it does no good.

113. Do not the sheep keep ragwort down?—Yes, when the land is thickly stocked.

114. What is to be the outcome if these weeds are not to be controlled?—In the snow the sheep will eat ragwort and thistle. I have no fear of the bad effects of these weeds on the hills, and on the flats cultivation will keep them under. I think there should be some compensation for this surface-sowing, and also that the runholder in the high country should have some liberty to prepare food against the winter and against snow-storms for consumption on the run.

115. *Mr. Paul.*] Do you wish to apply your remarks with reference to the weeds to the low country?—No. I think the option should be left to the settlers themselves. Nobody will let them grow. I always clear my paddocks; but to be asked to start and clear the high country—I do not see how it could be done.

116. *Mr. Forbes.*] Has the pasture on this country gone back as on the other large runs?—It did until the rabbits were brought under control. The rabbits are now a thing of the past as far as the high country is concerned, and I do not find it hard to cope with them in the low country.

117. Do you think the rabbits have been the principal cause of the loss of pasture?—Yes.

118. Do you think overstocking has had anything to do with it?—No.

119. Do you think any scheme is practicable for regrassing these runs?—Yes—surface-sowing.

120. Do you think surface-sowing could be done on many of the runs with advantage?—Yes; on all I know.

121. Would you say that the Government should do something to encourage tenants to resow?—Yes. I think if the tenant did not release the run he should get satisfactory valuation for such amount of surface-sown grass as could be shown on the run at the end of a week.

122. *Mr. Anstey.*] Do you anticipate increasing your flock of sheep now that your grass is coming along?—I do.

123. Would it not be rather difficult to assess compensation for grazing?—You would get no compensation if you got the run again.

124. Would the right of renewal of the lease be sufficient to regrass?—Yes.

125. In regard to cultivation, I understand you are not allowed to cultivate now?—That is right.

126. Would you like an unlimited right to cultivate, provided the land was immediately grassed down after ploughing?—Yes.

127. Would that do any harm to the farm at all?—Not at all, if the land was laid down properly in good grasses.

128. *Mr. McCardle.*] What is your view on the land-tenure question?—I think the present system is as good as it could possibly be.

129. You believe in the 999-years lease?—You have the option to take up land any way you like.

130. *Mr. Matheson.*] What has caused the rabbits to disappear in your country?—We are getting into the way of coping with them, and their natural enemies, such as stoats, weasels, and cats, are increasing.

LAWRENCE, SATURDAY, 25TH MARCH, 1905.

ALEXANDER FRASER examined.

1. *The Chairman.*] What are you?—I am chairman of the Tuapeka Branch of the Farmers' Union. I am a farmer farming a little over 200 acres, all of which except 26 acres is freehold. The 26 acres is a lease with the right of purchase. I have been thirty-six years farming in this district.

2. Under the present constitution of the Land Boards the members are nominated by the Government: do you approve of that?—I do to a certain extent. I believe that the nominated system is the best if it is judiciously carried out.

3. So far as you know, has it been judiciously carried out?—I have had a good deal to do in connection with the Land Board, and my opinion has been that politics is too much considered in deciding matters that come up for adjudication.

4. Before the Land Board?—Yes.

5. We are speaking of the constitution? I approve of the nominative system, but I think it could be improved very materially. For every provincial district there is a Land Board, but the various parts of the district have never been considered in appointing members to the Land Board.

6. You think that in Otago the several districts have not been sufficiently considered when nominations were made? That is correct.

7. Apart from that, are you quite satisfied with the Land Board?—Yes. I do not think an elective system would be an improvement; but what I would suggest as an improvement is that the provincial district should be divided into as many districts as there are members, and each district should have one member nominated from those residing therein. Appointments have been made recently, and in the making of them I do not think that the interests of the country people have been considered, because those selected have been taken from old-settled districts on the seaboard, where there are no Crown lands to be disposed of. The Crown lands are mostly in Central Otago and the goldfields, from which there is no representative at all. I think a mistake has been made in not nominating men from these districts when vacancies occurred.

8. There are two main tenures—leasehold, in its various forms, and freehold: what is your opinion regarding them?—In my opinion, there are far too many tenures.

9. What is your opinion about the freehold and leasehold tenures—as to their effect on the settlement of the country and the well-being of the settlers of the country generally?—I am firmly of opinion that the freehold tenure is the best tenure for the country as a whole, because you get a far more contented people on the soil, and under it they will put greater energy into carrying out their operations.

10. Are you acquainted with the lease in perpetuity?—Only by name and reading about it. I have no actual experience of it.

11. Are there any people around here under that tenure?—There are a few, but I am not acquainted with any of them. Land is held here under various forms of lease—license, perpetual lease, and, I think, a few leases in perpetuity, but I am not sure of the latter. There may be an odd one under the deferred-payment system who has not paid up yet. Originally on the goldfields the whole of the land was taken up under agricultural lease. We could only get 10 acres at first—that was to safeguard the auriferous land. By-and-by the settlers got numerous, and the Provincial Council, which had the administration of the land then, extended the area to 50 acres, and as time went on it was extended to 200 acres. Then the people got dissatisfied with their tenure. They thought the leasehold was not good enough for them as pioneers and settlers. A measure was introduced to exchange the agricultural lease for the deferred-payment lease, under which the holders were enabled to buy the land by instalments.

12. That led to the freehold, of course?—Yes. Many people took up land in this district with very little money. It is a very large district. Right through the goldfields to Crookston was taken up under that lease at first. When the deferred-payment system was introduced it enabled people to pay for the land gradually, and they became successful settlers and attached to the soil. I consider if any change takes place in the law it should be in the direction of providing only four tenures—namely, temporary license, lease of arable lands with right of purchase under deferred payment, deferred payment pure and simple as in the old days, and the homestead system.

13. The homestead system enables the applicant to get the land for nothing after he has effected certain improvements?—Yes. I understand that system applies to lands of not much value, and is an inducement for people to go on to these lands.

14. There is one tenure you have hardly noticed: what do you say about the pastoral-lease tenure?—I am not in favour of including that among the leases with right of purchase. I think they should be held on lease and subdivided into suitable areas, according to the natural features of the country—in sufficient areas to be properly occupied. Pastoral leases are not so valuable now as they have been for various reasons. The grass is going back, and rabbits and noxious weeds have to be contended with.

15. I suppose the rabbits are under control here?—They are just under control and no more.

16. You are aware that there is a very large area of pastoral country in Otago?—Yes.

17. And it is depreciating. Have you any proposition or advice to give with regard to restoring these great pastoral areas?—To restore them to a fair condition of pasture they should be surface-sown with suitable seeds, and I do not know that they have discovered a suitable seed. I think the Agricultural Department should experiment with various grass-seeds in the different localities. Take the Dunstan district. I think they should experiment with grasses grown in that quality of land in other countries.

18. What do you think about cultivating the native grasses?—That would be a good idea; but resting the pasture, and not overstocking it as has been done, would help the country very materially, because our native grass does not seed now as it did. The rabbits are very destructive on it when it is in seed. They cut off the seed, and if they are not stopped they will also kill our rye and cocksfoot. In connection with the pastoral tenants, I would like to mention an improvement which I think might be introduced. When a lease expires, or the tenant is unable to carry on by reason of the rental or the depreciation of the land, he has to apply to the Land Board for a surrender, and if the Board grants him a surrender of his license the country is revalued, the result generally being a lowering of the rent. The improvements are also valued. Before the land is put up to auction again I think the outgoing tenant should have the opportunity afforded him of taking it up again under the new conditions. Under the present Act that is not allowed. He has the right to bid for it, but I think, in justice to him, if he is *bonâ fide*, he should have the privilege of taking it up under the new valuation. The improvements are very often not valued fairly to the tenant, who seldom gets fair value.

19. He would not. He is only entitled by law to improvements that will not exceed three

rentals if the rent is over £50, and if the rent is under £50 he is entitled to five rentals. Generally speaking, is that enough to meet the case?—If the valuation is a fair one.

20. We must assume they are fair?—They are not.

21. We must assume that the law is fairly administered, and I ask if you think three rentals is enough on the assumption that the law is fairly and wisely administered? At the present time improvements consist of buildings and fencing. Do you think there should be a greater number of rentals?—I would rather not express a definite opinion on that point, because one would require to be in the position of a pastoral tenant, which I have not been.

22. I would like to ask you whether, in your opinion, the residential conditions now existing are too exacting and require relaxing, and, if so, in what direction?—I think that the Land Boards should have full discretion in deciding matters of residence, and so on. Matters are so varied and arise from so many causes that legislation could not cope with them. Land Boards should have discretionary, in fact, full power to deal with all these cases on their merits. Land Boards should be entirely free from Ministerial control.

23. The Minister is the landlord. He represents the State, and it would not do to shut him out altogether?—The point I want to bring out is, that if the Land Boards were properly constituted they should be the best judges of how to deal with these cases.

24. Your evidence is this, regarding the conditions of settlement under lease: the Land Board should have full power to deal with them within certain limits?—Yes. For instance, in connection with these leases the Land Boards largely follow the political view of those in power.

25. You think so?—I am positive. Of the recent appointments made to the Land Board two have given evidence, and they advocate the leasehold, but are themselves purely freeholders. I have a very strong suspicion that members of the Land Board are appointed to carry out the views of the political party in power in connection with the lands of the country.

26. You think, at all events, the Land Boards should have more discretion?—Yes. In many cases the referring of matters to the Minister only causes delay and humbug.

27. You think an alteration is necessary regarding the occupation tenure owing to various conditions, such as climate and configuration of country?—In connection with configuration of the country, I think that in surveying pastoral or arable country the Lands Department has adhered too much to east-and-west and north-and-south lines, without studying the natural features of the country. Take our district—a very rough district. There was no regard paid in surveying this district to its natural features, and I think the country could be more profitably occupied and worked if the natural features had been considered in laying it off.

28. You are in favour of the homestead system?—Yes. I think there are very great areas of land now that are only suitable for men to go on to without paying anything at all.

29. Do you think there are any such areas in the Tuapeka district?—There are large areas of waste lands in the Tuapeka district that could be satisfactorily settled in the interests of the State.

30. Without interfering with the mining industry—it carries the freehold, you know?—It was said once that by settling here he would ruin the mining industry; but the mining industry is not going to last for ever, and if settlement had not taken place and the land had been left for the miners this would have been a barren place. I do not think the settling of such lands now would be any bar to the mining industry. By means of the homestead system land could be settled in the Tuapeka district which is not now settled at all.

31. Is there anything you would like to say in regard to the ballot system?—I do not believe in the grouping; I think every applicant should be able to go for the section he wants. A man who goes to look over a block takes a fancy to a particular section, and if in the balloting he is grouped he might get a section that he dislikes, and the result is that if he goes on to that section very likely he will always be discontented.

32. Do you know anything about the loading of sections for roads?—That is a very important matter. I am diametrically opposed to loading lands for roading purposes, partly for the reason that the lands included in these roads belong to the public of New Zealand as a whole, and to saddle the settler with the full cost for all time is, I consider, iniquitous. I have not gone to Pomahaka, but I have conversed freely with those on it, and there is no doubt that the loading was so heavy that when added to the rental made the rental too high. Without the loading Pomahaka might have been successful. The money that was spent for this purpose by the State has been spent very largely injudiciously, and the poor settler has for all time to bear the cost of this squandering of money. I think the roading and surveying of lands should be paid by the State and not made a burden on the settlers, because the roads are really State property. Another thing is that if there was a front road to the block the sections would not be loaded for it, but the back settlers would be loaded for the road which was made to give them egress, and a back road is never so profitable to the settlers as the front road.

33. Has the value of land gone up in this district very much within the last few years?—I do not think so; but the Valuation Department has increased values.

34. Has there been any exchange of land?—Very little indeed. In connection with the valuation of land in this district, there are a large number of farms that could be bought, but it is difficult to get buyers. A man likes to have a good value on his land for various reasons. If a man wants an advance under the Advances to Settlers Act he gets it on the value of his land, and for that reason a high valuation is acceptable. But the value of the land in the whole of the district as a selling asset has not increased for years; it is about stationary.

35. Have you any knowledge of whether there has been much application to the Advances to Settlers Office?—Yes; there has been. Some at first had a difficulty in getting money from the office. In one case I know that political influence had to be brought to bear before an advance could be obtained. I consider the scheme was very beneficial to this country, because it steadied the rate of interest and let loose in this country an enormous capital that had to seek investment in other ways.

36. Do you think the settlers in this district are in a fairly thriving condition?—Yes. They work very hard, and, as a rule, have improved their positions materially. They got their land under the deferred-payment system, which enabled them gradually to convert it into a freehold.

37. Is there any aggregation of estates going on here?—Not to any extent. I notice that the question has cropped up everywhere, and a lot of capital has been made out of it; but I do not know that the increasing of estates is detrimental to the country, because the State can step in at any time and acquire them for subdivision. In fact, I regard the owners of large estates now as simply trustees for the State. It is a well-known fact that all the big landowners of the country for various reasons would like to get rid of their properties. The conditions are so harsh and they have to contend with so many difficulties that they feel that they would be better rid of them. The conditions of the big landowner now are difficult for this reason: He has to contend with graduated taxation, the rabbit-pest, and the noxious weeds, which is a serious problem. If he is a cultivator and a grower of cereals he has to contend with the small-bird nuisance, which is very injurious to the grain-growers of this country. He has to contend with the State valuator, and has to put up with the labour laws of the country, which considerably hamper him in his operations.

38. There was a recent sale of a large estate in this district: do you know whether that was compulsory or voluntary?—It was voluntarily offered. There was an agitation, and it was offered. There are two points I would like to mention in connection with Greenfield. A good road to Greenfield will be one of the great considerations to accommodate the people now settled there. The main road to Greenfield was from Lawrence, branching off three miles from here, and I think, in the interests of the settlers, that a road should be made to join the main road going to Lawrence.

39. How far is it from here to Greenfield?—Eight or nine miles to the nearest point, and to the furthest point seven miles more.

40. A portion lies to Waitahuna?—Yes. Of course, they could go to Waitahuna any time by branching off this road. The road to Waitahuna is simply a short cut that will not be used by the bulk of the settlers. Another matter in connection with Greenfield is that the bulk of the estate is in Bruce County, but formerly a large area was in Tuapeka County.

41. What way does it affect Tuapeka?—If the Government does not make the main road from here to it the settlers of Tuapeka would be saddled to keep a road for the settlers of Greenfield. It would therefore be an advantage if the boundaries were altered, and part of Greenfield brought into Tuapeka.

42. That is, on the assumption that Lawrence is the proper business centre for the Greenfield settlers?—Yes.

43. The Greenfield Settlement has been laid off into a number of areas: presuming that these have been laid carefully, do you think there should be any alteration of the boundaries by the Land Board? Should they have power in the future, say, for some reason to group two forms, or do you think that the farms as laid out to-day should be preserved for all time? In other words, if at the present time there are fifty farms on Greenfield there should always be fifty farms so that the country would always be well settled: do you think it would be wise to allow much variation?—I think it should be allowable to vary it, because the conditions alter so much. There are various conditions that might alter to such an extent that would prevent Greenfield and many of those other settlements being successfully carried out. If the value of produce went down to so low a figure in the market that it would be unprofitable—we are simply living on the suffrages of the outside market that takes our produce at a profitable rate, but there is no guarantee that that will continue. There are climatic influences, market influences, labour conditions, and various other conditions that alter so materially that really there should be no hard-and-fast rule.

44. Do you not think the Land Board should have power to make those changes?—Yes; I think they should, particularly if the members are nominated as I have suggested.

45. You do not think it necessary to refer it to Parliament?—I do not think so. I have just read Mr. Donald Reid's evidence, and I desire to say that I very much admired it. He holds the views that I hold myself in connection with the land question; and, really, if the Government of this country wanted to do justice to those who go on the land they would commission Mr. Donald Reid to frame a Land Bill on the lines of his evidence, and I believe it would give the greatest satisfaction to this country and be a benefit to those who go on the land.

46. *Mr. McCardle.*] You are chairman of the Farmers' Union?—Yes.

47. How many members have you got?—We had over sixty members some time ago, but there are not so many just now.

48. Of course, you are aware that you are looked upon as a union belonging to one particular side in politics: is that the case in this district?—The attitude of the union and my own attitude is that every member of the union is free to exercise his own mind.

49. The impression abroad is that the Farmers' Union is composed principally of supporters of the Opposition party: does that apply to your branch?—No, nor to the Farmers' Union, so far as I know.

50. Are you representing your own views to-day or those of the Farmers' Union?—My own views. The Farmers' Union did not lay down any views to be represented here.

51. You think a fairer system of adjustment would be obtained by dividing the Land Board districts?—Yes.

52. Do you not think it would be better to have the different interests represented? You have four great interests in the province—the freeholder, the leaseholder, the gold-miner, and the great landless class of the colony: do you not think all four interests should be represented on the Land Board?—They could be represented in the system I suggested.

53. Would it not be more equitable if you selected men representing each of these interests, irrespective of locality: each would know the conditions of the class he represented?—The mining

interest has no representation nor ever had, and under the conditions I laid down I do not know but what it would be necessary to increase the numbers.

54. You know something of the working of the advances-to-settlers system in this district?—From what I have heard, I do.

55. Has it been generally satisfactory or otherwise?—As far as I know, satisfactory.

56. Do you think it would be an improvement on the terms and conditions of the advances to settlers if the valuation was made on the interest in the holding rather than on the improvements?—Really, the interest of the settler in the holding is the improvements.

57. There is a bigger interest—the selling value?—It would be very difficult to arrive at what a man's interest would be in Pomahaka.

58. Do you think it would be a fair thing if the Advances to Settlers Act was amended so as to advance to three-fifths of the holder's interest in a section? You are aware that the sinking fund wipes off the loan in 36½ years: it would be safe finance, do you not think?—It would all depend on the quality and capacity of the lessee.

59. How would you get at the capacity of a man except through the property he holds?—You can judge by his success on the section. You must judge the man as a farmer by the success on the section he occupies. Supposing a man takes one of the Pomahaka sections and puts on expensive improvements and squanders his money, I do not know that it would be wise to advance up to the limit provided by the Act on such improvements if those improvements are too expensive for the section.

60. Under the Land for Settlements Act you think that every man should have the right of the freehold?—Yes.

61. Would you be prepared to allow those persons holding the leases to get the freehold at the price now fixed?—Yes. Any value that was given to the land has been brought about by the energy of the tenants themselves.

62. Is there any provision to prevent the selling of the freehold to one individual, and thus bringing about the aggregation of estates?—There is a limit.

63. Not as to the freehold?—The Legislature may pass a law limiting the area. I would favour that.

64. With respect to roading, do you not think it would be a better plan for the Government to say that the whole of the money paid to the Government shall be spent on the land in the way of roading rather than part with the fee-simple?—The policy of the colony should be to get as many people on the land as it possibly can, because the people are the asset of the colony, and it would pay the State in many cases to give the land for nothing in order to get the people to settle upon it. In Canada they give the land for nothing, and the result is that thousands of people are flocking there.

65. Do you not think that this same end might be accomplished by spending the value of the land on the roads?—If a fair value was put on the land.

66. You cannot put a fair value on the land where you are excellently supplied with roads, but in some districts it is practically impossible to settle people on the land, owing to the want of roads?—We have great difficulty in connection with our roads.

67. You do not approve of the loading of sections?—No, I do not.

68. You will be pleased to see that the Premier proposes to remove the loading?—But he did not propose to remove it until the Commission began its work. I took particular notice of what the Premier said after the evidence was given before the Commission in Southland. He proposed alterations immediately.

69. *Mr. Anstey.*] You are aware that the Crown land called "public reserves" is vested in two bodies—the Crown Lands Board and the School Commissioners: do you think it could be better administered by one Board?—I believe that the Land Board could administer the education endowments better than they are administered now.

70. If they are going to be administered by one Board, you say you wish the various districts to be better represented. Do you not think if they are administered by one Board there should be an additional number of members of the Board?—Yes, so that the various interests may be represented.

71. Can you tell me whether there is any quantity of good land in this neighbourhood being spoiled by dredging?—The good land that has been turned over by mining is mostly Crown land.

72. Is it good land?—Yes.

73. Has it been spoiled?—I do not think it has been much spoiled in this district.

74. You do not think it is necessary to restrict the spoiling of land by miners?—I think in certain cases there should be restrictions imposed.

75. Is there any great conflict between the interests of the miners and the farmers?—Not in this district.

76. You condemned the system of grouping sections under the ballot?—Yes.

77. Do you think that a man who had the means of farming 1,000 acres should be allowed to select any section he liked, and that the man who had only sufficient money to work 50 acres should be allowed to select one of the larger sections?—I do not think it would be advisable that a farmer who could only farm 50 acres should be settled on a very big section, because he could not carry out his obligations.

78. Speaking of the grouping system, would you give a man who had only the means of farming 50 acres the right to take up any section on an estate?—Certainly not.

79. Do you not think there must be some grouping?—No.

80. With regard to Pomahaka, you said it was the loading which made the rents too high: is it not a fact that the Government paid too much for the estate in the first instance?—Possibly it did.

81. Is not that the cause, rather than the loading, which made it too dear?—If they had paid

less it would have been far more favourable to the settlement. If I had to do with Pomahaka I would dispose of it under the deferred-payment system, and be done with it.

82. *Mr. McCutchan.*] You advocate the reduction of the tenures to four or five?—Yes.

83. You exclude the cash-down system entirely?—Yes; I think the deferred-payment system would satisfy any one who wished to become a *bonâ fide* settler. This district was all settled under the deferred-payment system.

84. Do you not think the term of payment should be extended?—Yes, for a considerable time, and the payments should be very light.

85. In speaking of the nomination of members of the Land Board, you said it was your opinion that the appointees of the Government reflected the land policy of the Government?—Yes.

86. How do you reconcile that statement with your advocacy of the system of nomination?—I think the Government should appoint men to the Land Board because of their experience, capacity, and knowledge in administering the land laws in the interests of the State and of the people, but I am of opinion that nominated members are not all appointed on these lines. Politics largely comes in in most questions in this country now.

87. How do you propose to correct that fault?—We must simply leave it to the Government to do the proper thing.

88. Speaking of the avances-to-settlers policy, you said it left free an enormous amount of capital?—Yes.

89. Then, you admit that the avances-to-settlers scheme lowered the rates of interest?—I admit that it is one of the most beneficial schemes that has been enacted in this colony for many years, because it has lessened the rate of interest, brought a lot of capital into the country, and relieved the capital of private individuals.

90. You condemn the loading of land?—Yes.

91. Do you think that the payment of interest on loading should be terminable—that is, where the lands are already loaded for roads?—Yes; I think it is a wrong system that a man should be loaded for roads that belong to the Crown for all time.

92. It was pointed out the other day that under the Loans to Local Bodies Act the principal and interest at 5 per cent. were wiped out in twenty-six years?—Yes.

93. As the Government is charging 5 per cent., do you not think the loading should terminate in twenty-six years?—Yes.

94. You expressed the opinion that the work of roading was extravagantly done in many instances?—It is done largely by the co-operative system, and the local bodies have no control. The roading of Greenfield is to be done under State supervision, and I undertake to say the unfortunate settlers who have to pay for the roading will not get the value for their money. I consider that the roads should be made under the supervision of the local bodies.

95. *Mr. McLennan.*] You are president of the Farmers' Union here, and I presume you represent them here?—I am a representative of the Farmers' Union here to-day, but I am expressing my own views entirely on this question.

96. Are you aware that there is any dissatisfaction among the Crown tenants in connection with their leases?—In this district there are no Crown tenants under the Land for Settlements Act.

97. You have no knowledge of any grievances amongst them, or a desire to get the option of the freehold?—No.

98. Do you remember when the Land for Settlements Bill was brought before the House in 1894?—Yes.

99. I suppose you were in favour of it?—Yes, I think it is a good measure. I was in favour of it then, and I am still in favour of it.

100. Seeing the beneficial results of that Act, why are you so anxious that tenants holding land under the Act should get the freehold?—I am firmly convinced that in the interests of the State land occupied from the State should be held by freeholders, because they are better settlers, they are more contented, and I think a large burden would be taken off the State if the settlers were freeholders—for instance, the State has to maintain a large staff; they have to appoint Rangers and other officers to see that the conditions of the leases are properly carried out, and it is the Rangers that the leaseholders have to deal with. I notice that since the Commission started its labours the Premier, in a speech, says that it is the intention to take certain powers from the Rangers, the inference being that the action of the Rangers sometimes harassed the leaseholders.

101. Under what system did you take up your land?—Under agricultural lease.

102. Did you take up any land under the deferred-payment system?—I got the lease exchanged for deferred payment.

103. How long ago?—A good many years ago, and it enabled me to make my farm freehold without having to borrow any money, and I had not much money when I started.

104. Under the lease in perpetuity the rent remains the same during the term of the lease, so that you can see it is even better for the colony than the other tenure?—I cannot see that it is better for the colony, because the policy of the colony should be to have a contented people on the land, and a great many leaseholders are not contented, because they cannot get the freehold.

105. *Mr. Paul.*] You are not very favourably impressed with the Land Board as at present constituted?—I am in favour of the nominated system, but I think a great improvement could be made on the lines I have suggested.

106. The members are not representative of the whole of the land district?—No, they are not. They are simply appointed from old-settled districts where there is no Crown land to deal with.

107. It has been suggested that meetings of the Land Board should be held in different parts of the district?—I do not think that would be necessary. I think if local men were appointed from various districts that would be better.

108. Do you think if we had another Government there would be any difference in the administration of the land laws?—It all depends on what sort of Government you had.

109. Do you see anything very inconsistent in a member of the Land Board advocating the leasehold while he himself has a freehold?—I see this inconsistency, that if the Government determined to carry out the leasehold policy and make it the land-tenure of this colony, the Government would appoint men to give effect to their views.

110. Are there any Crown tenants in your branch of the Farmers' Union?—I am a Crown tenant to a very small extent, but with that exception I am not aware that there are any.

111. You spoke in favour of the limitation of freeholds: would you limit the freehold by the area or value?—By value, because land varies so much in quality.

112. Would you extend that right through to private freeholds?—Yes, value should be the main consideration.

113. You are altogether in favour of the option of the freehold being given under the Land for Settlements Act?—Yes, if the tenants comply with the conditions.

114. That is on improved estates?—Yes.

115. You cannot see that the State would lose anything by it?—I think the State would rather gain, because it would have a more contented people, and a large responsibility would be taken off its shoulders.

116. Do you not think that this might occur: the good sections in an estate would be purchased immediately and the bad ones would be left on the hands of the Government?—I do not think that would happen to any extent under the Land for Settlements Act.

117. Did I understand you to say that the owners of big estates are anxious to sell?—Yes; I think most of them are.

118. Do you think they are willing to part with their land at a fair price?—I suppose any owner of land is anxious to get as-much as he can.

119. Do you think the owners of Flaxbourne are anxious to part with their land at a fair price?—I only know of that estate from what I have read in the papers.

120. Can you give an instance where a Ranger has unduly harassed Crown tenants?—I would not specify any instances, but I consider the Rangers are not infallible. I think, perhaps, that many of them have not got the practical knowledge to guide them to proper conclusions.

121. Do you know any such Ranger?—I do not know that any of our Rangers are practical men in connection with the land.

122. Do you know of one who is not practical?—I am alluding to them all.

123. Speaking generally, it is your opinion that none of the Rangers are qualified?—I do not say they are not qualified; but, to my knowledge, they have had no practical experience of farming land at all.

124. Could you tell me how the labour laws hamper the large landowner?—It is very difficult for him to get a sufficient number of suitable men to carry on farming operations.

125. Have the labour laws limited the supply of men?—The tendency is for the young people in the country to go to the towns in view of the stated improvements in the labour laws.

126. You are convinced that all the flocking of the people to the towns is owing to the improvement in the labour laws?—I do not say all.

127. They have no Arbitration Court or labour laws in England?—No.

128. If the people flock into the large cities in the Old Country does that mean that the agricultural industry is waning?—I would not go so far as to say that. England is a wonderful country, and people flock there from all parts of the world. I am simply dealing with our own country.

129. You must see that there is the same tendency in most countries for the people to flock to the towns?—Yes; but I am sure the labour laws have the tendency I have mentioned.

130. I understand you to say that it is wrong to load the land of the tenants for roading because the roads belong to the Crown?—Yes.

131. What do you think with reference to the railways?—I do not think there is any comparison.

132. In the first instance, we pay interest on the railways?—Yes.

133. And then we pay separately for the privilege of travelling?—Yes; we pay interest on the capital invested in the railway; but the case of the roads is different, for the settler has to pay rates all the time to assist in keeping the roads in repair, in addition to the loading.

134. *Mr. Forbes.*] You say you know very little about the lease in perpetuity?—Yes.

135. Do you not think it is rather presumptuous in you to give your opinion as to the best tenure when you have not studied the latest legislation on the subject?—No, I do not think so.

136. You say that you think a settler with the right of purchase is more contented than if he has not that right?—Yes.

137. Therefore you say it would be wise to grant it?—Yes.

138. But you think that should not apply to grazing-runs?—My remarks applied to arable land.

139. Do you not think the grazing-run would be better employed if the occupiers had the right of purchase, and therefore the State would be enriching itself by granting the right of purchase at an equitable rate?—It is possible; but I class pastoral country as being land not suitable for close settlement.

140. Perhaps you would rather not give a direct answer to that question without further thought?—Yes.

JAMES ROBERTSON examined.

141. *The Chairman.*] What are you?—I am a farmer near Lawrence. My farm is 970 acres, and is freehold. I have been associated with farming more or less all my life. I engage in mixed farming.

142. Have you heard Mr. Fraser's evidence?—Most of it.



143. If you agree with his evidence generally, please say so, and if not, we will examine you on the points on which you differ?—I am in favour of the freehold system. I may state that I am also a believer in the deferred-payment system. I saw it carried out in the case of land held by my father and others, and I must certainly say that the settlers worked successfully on that system, and seemed to take a greater interest in the land than if it had been leasehold. I have heard my father say more than once that on account of the difficulty of getting a proper tenure for the land the bulk of the miners, who could otherwise have acquired sections and settled on farms, had to go out of the district and take up land in other parts north and south of this district. That was because they could not get a fair area of freehold land to settle upon. From what I have heard, some settlers would like to have a purchasing clause included in the lease. I think the present constitution of the Land Boards is fairly satisfactory. It is, of course, advisable to have the members of the Boards as representative as possible of the people and of the district.

144. *Mr. Anstey.*] Do I understand you clearly to say that you would give a purchasing clause under the Land for Settlements Act?—I would give them all a chance of purchasing the land.

145. Does that mean without restrictions as to area?—I consider that there should not be over a certain amount of land in value given to any one settler, and the area should be reasonable.

146. Do you think there should be restrictions against overcropping?—Yes.

147. You are in favour of the single ballot—you do not like the second ballot?—Yes; and I know one man of experience who stated to me the other day that he preferred the single ballot also.

148. Is there any good land in this district being destroyed by mining?—I know of none, except on the Island Block.

149. Would it be wise to have any restrictions with respect to that?—Yes.

150. Can you tell me whether it is possible to make regulations compelling dredges to return the soil to the surface of the ground, leaving the *débris* below: is that practicable?—I do not think so. They could probably improve the surface to a certain extent. I think it would be wise where the work was not paying that the State should step in and stop mining operations.

151. Can you say whether in many cases mining is paying a great deal over wages?—I cannot say.

152. *Mr. McCutchan.*] You heard Mr. Fraser's views on the land-tenure question?—Yes.

153. He expresses the opinion that the option of buying for cash should be eliminated from the land laws of the colony?—I am not acquainted with that question.

154. *Mr. Paul.*] You said that in the early days of this district it was impossible for miners to settle on the land because they could not get the freehold?—I said that large numbers were driven from the district on account of the land laws.

155. That was the result of the freehold tenure?—No; it was not freehold at that time. They were leasehold sections.

156. Did they not go into another district and purchase land for cash?—Yes.

157. The land laws at that time could not be altered, because of the mining?—I am speaking of land behind the mining area.

158. But the State had to protect the mining industry?—Yes; I suppose that was the reason.

159. It is hardly fair to blame the leasehold when the difficulty was caused by the protection of the mining?—That may be so.

160. Have you had any experience of the land-for-settlements policy?—No.

161. You have formed an opinion as to the wisdom of giving the option under that system?—Yes, after speaking with experienced men.

162. Do you not think the State would lose something by giving the option?—I have not gone into that matter, but I do not think they would lose much.

163. But if it would result in the bad sections being left on their hands and the good ones being taken up, would that alter your opinion?—I do not think so. I think it would work beneficially.

164. *Mr. Forbes.*] Have you had any experience of the lease in perpetuity?—No.

165. You do not know anything about its provisions?—No.

166. There are no lease-in-perpetuity sections about here?—No.

167. So that, in speaking about freeholds, you have not studied the latest legislation on the subject of land-tenure?—No.

168. What kind of farming is generally engaged in in this district?—Mixed farming.

169. Is there any land for sale about here?—Yes; I believe there are a good many farms for sale, owing chiefly, I suppose, to ordinary causes, such as families growing up and going elsewhere to settle.

170. *Mr. Matheson.*] Have you any knowledge of the co-operative system?—I have seen a little done on railway and road work.

171. Do you think the local bodies could spend the money much more economically than the Department?—Yes.

172. *Mr. McCardle.*] At what price can good farms be obtained here for mixed farming?—From £5 to £6 an acre, and many farms further back from the settlement could be purchased at from £4 to £5 an acre.

173. What is about the carrying-capacity of land here laid down in English grass?—About two sheep to the acre.

174. Does that include turnips for winter feed?—Yes.

JOHN EDIE examined.

175. *The Chairman.*] What are you?—County Engineer, and I am also a farmer. I farm 600 acres, and my farm is twenty-three miles from here. The land is freehold. I have held the land for twelve years. I engage in mixed farming.

176. What is your opinion about the present constitution of the Land Board?—I think the constitution is very good.

177. In regard to land-tenure, what is your opinion?—So far as Crown land is concerned, I think people should be allowed to acquire what area they wish, but in regard to estates purchased for close settlement, I think the present system is a proper one. I think the land should be let under lease in perpetuity. I do not think there should be any right of purchase. Personally, I have had great experience of this matter. I have been surveying all over the province, and I think it would have been a good thing for the colony if there had been no freehold. As far as the Crown lands are concerned, let the people take them up if they like. The estates that have been purchased for close settlement should be kept to their present form of occupation. I do not think we should risk any more by the selling of land.

178. Do you think that the tenants under the Crown are hampered by undue restrictions?—No, I do not think so. If I were leasing my land to-morrow I would take every care to hedge the tenants round with restrictions.

179. You think there is no necessity for an alteration in the law regarding tenure?—No.

180. Do you think there is any land here so inferior that unless given under the homestead system it could not reasonably be brought under settlement?—No.

181. You think that all the land could be brought under cultivation by some form now existing?—Yes, by lease or cash.

182. What have you to say regarding the ballot?—I believe in the single ballot. I do not think a man should be forced to take a section he does not wish for.

183. Can you give us any opinion regarding the loading for roads?—There is no doubt, so far as the co-operative work is concerned, that the county can carry it out cheaper than the Government. I have had a good deal of experience of roads—I was ten years in Catlin's—and I am satisfied the county can carry out roadwork better.

184. You know the settlers seem to feel very great objection to this loading—they think they pay on it for ever?—We made the roads in the days gone by to the Crown lands, and I do not think the settlers should be loaded at all.

185. You think the roads should be made out of general revenue?—Yes. We have already made roads on Crown lands, and these estates have been paying rates for many years, and have not received any benefit. Pomahaka was in the hands of Mr. Douglas for a quarter of a century, paying heavy rates all the time, without a ten-pound note being spent by the local body.

186. You think the principle of loading is bad?—Yes; it is better for the Government to pay for the roading and have a contented settlement than to have the settlers continually struggling.

187. Do you think the Advances to Settlers Office has done good?—I think the Advances to Settlers Office alone should advance to these estates. I think the measure was one of the best ever introduced.

188. Is there any aggregation of estates in this district?—Around my own district there is a tendency for the aggregation of farms.

189. You do not mean aggregations into large holdings so as to make large landlords?—No, increasing from 500 acres to 1,000.

190. Do you think increasing to that limit is a benefit to the district?—No, I do not.

191. You think the law should intervene and fix the limit of area?—Yes, for the various classes of land.

192. The Greenfield Estate has been laid off with considerable care: do you think these farms should be preserved for all time in that area?—If experience goes to prove that it is not a success they will have to group the sections.

193. You think there should be discretion given to the Land Board?—Yes.

194. *Mr. McCardle.*] You have had considerable experience of road-making?—Yes.

195. Do you think the price at which the land has been disposed at has been sufficient in all cases to make the roads?—Perhaps not in all cases, but, as a rule, it has.

196. Is there any revenue to the State after making the roads?—Assuming that there is no revenue, I still think it is the duty of the Government to make these roads.

197. In the case of rough country lands at 10s. an acre, if the County Councils were empowered to raise loans for the making of the roads, would the rents from the sections be sufficient to liquidate the loan?—I think 10s. an acre would more than do it.

198. *Mr. Anstey.*] Did I understand you to say that the same restrictions should apply to private leaseholds as to leases from the Government?—Yes, of course.

199. Would not a system of graduated taxation do it better than by dividing the land into classes?—It is immaterial which way it is done.

200. Would not the graduated tax apply rather to value than to area?—Yes.

201. Has any land been spoilt here by mining purposes?—Very little. Where they are mining now the land is of very poor quality, the gravel being within 10 in. of the surface. No doubt, at the north end of Island Block there is some very good land indeed.

202. Is there no way of working it so as to leave the land in good order?—No, it cannot be done. So far as this end is concerned dredging has done no harm. I have advocated that all dredging leases should contain a provision that the land should be surface-sown as they go on.

203. Do you think the dredges should have unrestricted right to heap stones on the land?—Where that happens it is mainly poor land. If the land is good there should be some restriction.

204. Do you think the State should put some restriction on it?—Yes.

205. Do you think it is practicable to make a regulation that the land should be levelled?—I do not think it is practicable.

206. *Mr. McCutchan.*] In speaking of the tenures, you expressed an opinion that there should be no interference with the tenures under the Land for Settlements Act, and with regard to the Crown you said that you would advocate the widest tenure, and, in addition, I understand that you advocate the reintroduction of the deferred-payment system?—Yes.

207. Would you advocate the land going up to competition?—No. The price should be fixed the same as you do in the case of the estates.

208. You said there was no necessity for an alteration of the present land-tenure of the colony?—I meant the leasing of the new estates.

209. You stated that in your opinion the County Councils could do work cheaper than the Government, and I understand you to attribute that to the fact that the Government used co-operative labour?—Yes.

210. Have you any idea where this labour comes from?—It comes from all over the colony. In the extension of the railway from Heriot to Edievale they came from Christchurch and all over the place.

211. Do you consider that the men themselves were of a fairly good stamp?—In all cases they were not satisfactory.

212. Were the men grouped in gangs?—Yes, and the men themselves complained.

213. Has your Council much trouble in the expenditure of "thirds"?—No.

214. On what system did you work?—We notified the Land Board where it was proposed to spend the money, and the contracts were carried out by the Council as soon as possible after sending the reports to the Land Board. We allow them to accumulate.

215. Are you aware that an amendment was carried to the Public Works Act under which the Minister gives notice to the local bodies that unless the "thirds" are spent within six months the Department will resume control of them?—Very well, they can expend them. In some cases 9d. comes in from a section; how can they expend that. The thing is absurd.

216. *Mr McLennan.*] With regard to the roading of estates, you advocate the giving of the amount to the County Councils to expend?—Yes.

217. You would prefer the Government to contribute towards the roads?—Why not. They do it to other places, why not in the case of these estates.

218. Would you apply that system to all private estates?—Yes.

219. To those that have been bought some time ago as well?—They can make it retrospective if they wish. I would not object.

220. Has any instance of the Crown Rangers unduly harassing tenants come under your notice?—Not one.

221. Would you care to express an opinion as to the ability of the Rangers? Do you think them competent to carry out their duties?—Yes, I think so. My experience is in that direction.

222. *Mr. Paul.*] You object to the co-operative system?—Yes.

223. Have you any objection to day-labour?—No.

224. Do you think it is workable under proper supervision?—Yes. I would not object to co-operative labour if it is carried out on proper lines, but it is not carried out on proper lines. The men do not know what they are to get before they start their job. All details should be set out before they sign the contract.

225. It is possible to alter the conditions of the system and make it a success?—By allowing men to band themselves together and take small contracts.

226. *Mr. Forbes.*] With regard to the valuation of land, do you think the Government valuers have put too high a value on land?—I will give you an instance. A farmer at Tuapeka Creek complained to me that he had been too highly valued. I offered him 10 per cent. above the valuation for the land, and he would not sell. I then offered him 20 per cent. above the valuation, and he would not take it. I think if there is a margin of 20 per cent. the farmer has no right to say he is overvalued.

227. Do you think the Government should have the right to resume on 20 per cent. over the valuation?—I do not think they will do that. The farmer must assist the valuator to a certain extent.

228. A gentleman wants me to ask if you would be in favour of the farmer being represented on the Assessment Courts?—Yes, but they are there now, so far as my knowledge serves me.

229. Do you know anything about Pomahaka?—Yes.

230. Possibly you may have seen the evidence that has been tendered about that. The tenants advocated a reduction of the rent by 1s. an acre?—That, I take it, represents the loading for the roads. It is a very strange thing that one of the farmers there was a ploughman for twenty years, and he gave a substantial sum to acquire one of the sections. There were some very inferior men went on to that estate. One, I think, was an undischarged bankrupt. How could you possibly expect that man to get on.

231. These men are off now, are they not?—I understand so.

232. *Mr. Matheson.*] Do not men lose their heads on occasions over land?—Yes.

233. Do you not think, then, that they should lose their money to learn wisdom?—They say that experience teaches.

234. If the occupier is prepared to pay to the Crown all it has expended, and the State has acquired the means of settling the land, what objection is there to giving the right of purchase?—For the reason that some of the land would be left on our hands. I, as one of the electors of the colony, think we are running a risk in doing that—of selling the best land and holding the bad.

235. You would not mind if you disposed of it all?—No, I would sell none of it. But if you sell at all the good land will go off and the poor will be left.

236. When land is bought by the State the Department has to pay low for the worst of the land and high for the best, and any undue valuation is due to the mistakes of the officers?—Not at all.

237. Is it not reasonable that we should be prepared to lose a little for the mistakes of the officers in settling the land?—Land theoretically can hardly be too high, and all land is not worth anything in price.

238. Is it not wise to see that more competent men value the land?—I never heard of incompetent officers.

239. Cannot you conceive of incompetent officers when you see that some bargains are better than others?—No, the land is better.

240. *Mr. McCardle.*] Some stress has been laid on the statement that the valuations of the Government assessor in this district have been too high. You, as a competent man, know something about how these valuations were arrived at: did he converse with the holder as to the value?—That is so. He came to me, and we agreed upon the valuation.

241. *Mr. Anstey.*] You say that the co-operative system would work all right if the men were allowed to choose their mates, but we have had an objection to that. If five or six competent men join together they would make good wages, and if incompetent men they would want higher prices for their work. Then, there is great objection to the authorities selecting the men, for they put good men and duffers together: that has been a great objection?—Quite right, too.

242. How would you get over that?—Allow the men to choose their own mates. Why should old men expect to compete with young and able-bodied men.

243. How do you get over this difficulty: five good men can earn, say, 15s. a day, whereas five totally incompetent men cannot earn tucker?—We should not lose money on that account.

244. If a man is not able to do a fair day's work pay him accordingly?—Yes.

245. *Mr. McCutchan.*] Are you aware if the overseers are instructed to keep the earning-power of the men down to 7s. or 8s. a day?—Only from hearsay.

246. Are you aware whether the overseer supplies the contractor with the quantities before they start?—No, I do not think so. My contention is that should be done.

247. Is it not the custom with your Council when letting contracts to have estimates of what the contract should come to, and to compare those estimates with the tenders before any is accepted?—Yes; that is so.

248. Do you think such a system would be workable in connection with the co-operative system?—Yes.

249. In speaking of the valuations you made reference to a case in this district: do you think it is a wise thing for the people of a nation who have reasonably high ideals to reduce this land question to mere commercialism? As a family we have an attachment to the soil, and though intrinsically our farm may be worth, say, £8 an acre, and it is valued at that for taxation purposes, yet we would not sell it for £10 an acre, because the land has a higher value in our eyes?—That might apply in old-settled countries like England; but we are a young country here, and it is more a question of pounds shillings and pence.

#### JOHN BULFIN examined.

250. *The Chairman.*] What are you?—I am a farmer, and hold about 1,000 acres, of which 200 acres is leasehold with right of purchase. I have held the land for about thirty years.

251. Do you approve of the present constitution of Land Boards?—I think the Land Boards should be elective. I think it would be much better if the members were representative people sent from the different districts.

252. With respect to tenures, what is your opinion?—I think the deferred-payment system is a good system and ought to be reintroduced. I also think that under the lease in perpetuity there should be a purchasing clause after conditions as to residence and improvements have been complied with. I am in favour of the freehold. I think that a person looks after the land much better when he has acquired the freehold. I have had no experience with reference to the Advances to Settlers Department, nor in regard to roading. I think roads should be made out of the general revenue of the country.

253. *Mr. McCardle.*] Do you belong to the Farmers' Union?—Yes.

254. You do not interfere in any way with the settlers as to their ideas of tenure?—No.

255. Do you recommend the freehold simply from a sentimental point of view?—No.

256. Do you think there is any chance of the Government breaking the contract with respect to the lease in perpetuity and revaluation?—I could not say.

257. Do you think the settlers need be alarmed in that respect?—I do not think so.

258. You agree that the great object is to place as many people on the land as possible?—Yes.

259. The land-for-settlement policy is accomplishing that?—Yes.

260. Would you approve of the extension of that principle?—Perhaps so.

261. *Mr. Anstey.*] You said you were in favour of the election of Land Boards?—Yes.

262. Is that the general opinion of the Farmers' Union in this part of the country?—I could not say. I was asked by the Farmers' Union to come here.

263. Upon what franchise would you elect the members of the Board—the parliamentary franchise?—I think so.

264. In that case would not the thirty or forty thousand voters in Dunedin swamp the country vote, and would not labour members generally be elected?—That is a question that would have to be looked into.

265. Would it do if the Farmers' Union were to elect the members of the Board?—I think the people as a whole should elect the Board. I do not say that the men in the towns should elect them.

266. *Mr. Paul.*] Have you seen an instance of any leaseholder neglecting his land?—I could not mention any case.

267. You want the deferred-payment system added to the present tenures?—I think under that system a poor man can take up land and make it freehold.

268. Do you want the lease in perpetuity amended by the addition of a clause giving the right of purchase?—Yes.

269. And you want the present option-with-right-of-purchase tenure still one of the land laws?—Yes.

270. You want the cash system to remain on the statute-book?—Yes.

271. *Mr. Forbes.*] In giving the right of purchase in the case of lease in perpetuity, do you not think there is a danger of the money being squandered after the land is disposed of?—I think the Government should do the very best for the country.

272. *Mr. Matheson.*] Do you think the best way to stop the Government squandering the money is for the citizens to take more interest in the election of members?—I think so.

ALEXANDER FRASER further examined.

273. *Mr. McCutchan.*] In speaking about the roading of the country I understood you to say that you advocated the roads being made by the Government out of revenue?—Yes; out of the consolidated revenue.

274. Is it not the case that we are borrowing largely from year to year?—Yes.

275. You would not consider loan-money to be revenue?—There is a large proportion of loan-money expended on roads now.

276. There is a fund called the Public Works Fund?—Yes.

277. From what source is that fund supplied?—Partly from the consolidated revenue and partly from loan-money.

278. The consolidated revenue is chiefly derived from Customs?—That is included in it.

279. You think a certain portion of loan-money should be expended on roads—that is, for reproductive work?—I consider that the present policy of expending loan-money on reproductive works is a good policy, because the two funds are put together for that purpose—a portion of the consolidated revenue and a portion of the loan-money—and my contention is that that money should be expended in opening up these lands the same as Crown lands.

ROBERT COWIE examined.

280. *The Chairman.*] What are you?—I am a farmer. I have 560 acres of freehold, 1,600 acres under the small-grazing-run system, and 1,340 acres under pastoral lease. I have been fourteen years farming in this district. I pay 4d. per acre for the grazing-run and very nearly 4½d. per acre for the pastoral lease.

281. Are you a member of the Farmers' Union?—Yes.

282. Were you appointed by the union to come here?—I was not appointed, but I said I would appoint myself, because there were some things I wished to put before the Commission.

[The witness then proceeded to lay before the Commission a number of grievances he had against the Land Board in the matter of his leases. His boundaries had not been defined satisfactorily or in a way calculated to enable the property to be worked to anything like its best advantage. The creek boundary was most unsatisfactory, inasmuch as it was not wide enough to deter sheep swimming across, and as his neighbour would not pay half the cost of fencing he was compelled to run a straight fence down for his boundary, and lose the use of a portion of his land accordingly. Through these causes he complained that he had lost two years' benefit from his lease. He also complained about a commonage reserve spreading rabbits. The Chairman informed the witness that these were departmental matters, and did not come within the scope of the Commission's inquiry.]

283. *Mr. McCardle.*] Have you watched the operation of the different tenures of land?—I think so.

284. Do you approve of the 999-years lease?—I think it is a farce.

285. Do you not think a man might succeed under that lease?—I dare say he might.

286. Where does the farce come in?—Because I do not consider that any one has a right to grant such a thing as a 999-years lease.

287. Have they a right to grant an everlasting title?—I do not know.

288. You have a freehold title?—Yes.

289. Is that a farce?—No.

290. It is longer than a lease for 999 years?—It is a genuine thing. I think the lease in perpetuity can be altered as circumstances arise.

291. What circumstances?—I do not know.

292. What circumstances will condemn the 999-years lease?—Perhaps the rising generation will not believe in it.

293. Will the lease in perpetuity interfere with the birthright of the rising generation?—No; I do not suppose so.

294. Do you approve of the Land for Settlements Act?—To a certain extent.

295. The State is receiving 5 per cent. interest on the capital expended: there is no farce in that?—Not for those who have to pay it.

296. Do you not think the Government will make a good investment?—The 5 per cent. is to go on for all time.

297. As long as the lease continues?—That is where I think the farce is. Interest may come down to 2 per cent.

298. Who would get the benefit?—The Government. The settlers would not get the benefit.

299. The settlers are satisfied with the contract now?—I suppose so.

300. Do you not think the lease in perpetuity meets the case of the man with only a little capital?—Yes. The deferred payment was just as good as that. Under the lease in perpetuity a person has to farm the land according to the Inspector. A man who is farming land must consider the markets and other things; yet the Inspector has power to order a particular crop, and the farmer must comply, although he knows that there will be no good market for it.

301. Do you recommend any alteration in that?—No, except to do away with it altogether, and to allow a man to crop as he pleases.

302. Would it not be better to say that as soon as you put on certain improvements you will be put in the same position as the freeholder and be relieved of inspection: would that meet the difficulty?—Yes.

303. Are there any education reserves in this neighbourhood?—There is one small one.

304. *Mr. McLennan.*] Are you aware that there are rules and regulations laid down under the Land for Settlements Act that have to be abided by, independent of the Ranger?—I suppose so. I do not know about the Act.

305. The Ranger has actually nothing to do with knowledge of farming so long as it is done according to the Act?—What I say is that the rotation of crops may not suit the market.

306. *Mr. Paul.*] Has any instance come under your notice of undue interference by the Ranger?—No.

307. So far as you know, they are competent men, and carry out their duties properly?—Yes.

EDWARD O'NEILL examined.

308. *The Chairman.*] What are you?—Crown Lands Ranger.

309. How long have you been in that position?—I was acting Ranger for about three years, and have been Crown Lands Ranger for the last three years—six years altogether.

310. You are well acquainted with this district?—Yes.

311. Are the tenants under the various tenures fulfilling their conditions fairly well?—Very well.

312. You have heard the evidence that has been given. Is there any that requires alteration?—Yes. A gentleman this morning made the statement that none of the Crown Lands Rangers were competent or had had experience as farmers. Speaking for myself, I was brought up on a farm. I was farming from the time I was able to work until I was thirty years of age. My predecessor, Mr. Hughan, is pretty well acknowledged all over Otago as being able to speak on farming matters and as a judge of land-values. I may say that I have never before met the gentleman personally who made that statement. I know that he does not know me nor my antecedents, and therefore I do not think he was justified in making the statement he did.

313. *Mr. Anstey.*] Are there any Crown tenants in this immediate neighbourhood?—Generally speaking, there are not very many in the immediate neighbourhood.

314. Do you know how it is they are not represented here to-day?—No, but there was one witness who is a Crown tenant.

315. Are Crown tenants unduly harassed?—No.

316. Have you often to correct them for breaking the terms of their lease?—Speaking of this neighbourhood, I do not think I have had to speak to more than one of them, and that only on one occasion.

317. From that we infer that they are all farming their land fairly well?—Exceedingly well.

318. Do the Crown tenants, as a rule, keep their fences in order, and keep down the rabbits, and keep their land as clean and free from noxious weeds as the freeholders?—Yes; I do not see the slightest difference. There are plenty of freeholders who do not farm their land very well, and the same remark applies to leaseholders, but there are good men holding land under both tenures.

319. *Mr. McLennan.*] As regards their improvements in buildings, &c., how do they compare with the improvements on freehold land?—I do not see any marked difference. They are just as good on the leasehold land as on the freehold.

320. Have you been inspecting in any other district than this?—Yes, all through North Otago.

321. How do they compare there?—Very favourably.

322. Do they keep their fences and buildings in as good order as their neighbours holding the freehold?—I should say that land held under the land-for-settlement system in North Otago compares most favourably with land of an equal area in any other parts of Otago, as far as improvements are concerned—that is, considering the time they have been holding these leases.

323. What kind of improvements do they generally put on the land?—Fencing, buildings, draining in some cases, and cultivation.

324. Do they do anything in the way of planting?—Not in the first few years.

325. Small gardening?—Not right away.

326. But, taking them all in all, they compare very favourably with their neighbours on freeholds?—Yes, they do.

327. *Mr. Paul.*] Do you know the conditions Crown tenants have to fulfil?—Yes.

328. Putting yourself in their place, is there anything you would consider unnecessary in the regulations?—I do not think so.

329. You could be a Crown tenant and not feel that you were half a slave?—I certainly could.

330. Have you ever known an instance where an incompetent man has been appointed Ranger?—I consider that they are all competent men in Otago.

331. *Mr. Forbes.*] You know something of Pomahaka: have you sent in a report on it to the Land Board?—Yes.

332. Do you agree with the evidence that the rent is too high, considering the quality of the land, for a man to make a living on it?—If you do not press it I would rather not answer that question.

DUNEDIN, MONDAY, 27TH MARCH, 1905.

JOHN ASKEW SCOTT examined.

1. *The Chairman.*] What are you?—I am a journalist, and editor of the *Otago Liberal*.

2. Will you kindly state what it is you wish to bring before the Commission?—I might mention that I have been appointed by the Otago Trades and Labour Council to give evidence on their behalf, and on behalf of the unions affiliated with the Council. The membership of the affiliated unions number about five thousand. Speaking generally, they are opposed to the proposal to allow Crown tenants under the lease-in-perpetuity system to obtain the freehold on the

ground, first of all, that it is opposed to public policy; and, in the second place, because it constitutes a breach of faith with the State. They look upon the land in the colony as being the family estate of New Zealand, and they consider that the Crown is exercising its legitimate function when it acts as trustee of that estate. Consequently they hold that the sale of Crown land and of lands acquired by the Crown should be discontinued, and that in future all lands administered by the Crown should be leased at their fair rental value and subject to periodical revaluation.

3. That includes all public land?—Yes. They are opposed, further, to any extension of the freehold, on the ground that the freehold and landlord system is the one great bar to the progress of the great mass of the people, and the one great factor which keeps them from reaping the full benefit of the progressive legislation passed on their behalf. The chief ground on which they consider that the proposal is opposed to public policy is because it deprives the State of the vast increase in the value of land which has come about through the progress of the community, and without any effort on the part of the owners of the land. I do not need, of course, to give any proofs of that increase. I might just mention that the process of substantial increases in the value of land is going on under our very eyes in Dunedin. The value of the leasehold land in the colony, according to a statement prepared by the Lands Department, has risen from £6,635,975 to £7,300,512, a total increase of £664,537. The period was not stated in the table I refer to, but it covered the actual land, including land leased under the Land for Settlements Act but excluding timber and mineral reserves. Of course, the period does not affect our point, which is that if the freehold is granted to these leaseholders the State will really be making them a present of that amount, or, rather, making a present of it in many cases to the money-lender—that is, the unearned increment. We look upon the demand for the freehold in such a connection as that as really a confiscation of the unearned increment of the land—in plain English, a bare, bald steal from the State. We say that if you were to go to any business-man who had an article which he knew would steadily increase in value, and ask him to sell it now at a low price, when he knew with absolute certainty it was going to increase in value, he would ask you if you thought he was a fool. We say that is precisely the demand that is made upon the State. It is asking the State to sell an article at a low price now which it knows will increase in value very largely later on. Coming now to the breach of faith, I would just point out very briefly that the Crown tenants have been given this land at a very low average rental. The value of that land has, on the whole, increased, and the land should be giving a larger rental now. The tenants have had the use of the land at this very moderate rental, and they show their gratitude by asking the State to give them the right to it altogether, and deprive the State even of the moderate rental it now gets. Coming now to the way in which the freehold affects the workers more particularly, I may say that the way in which the freehold operates to the special detriment of the workers and business-people in towns is by devouring an altogether excessive proportion of their wages or profits in the shape of rent. I will read you just a short sentence from each of two recognised standard authorities on this subject. John Stuart Mill says,—

“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?”

Professor Thorold Rogers puts the matter plainer still. He says,—

“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.”

We say that is the position in a nutshell. The more a worker works, the harder a shopkeeper pushes his business, the more valuable property becomes, and up goes the rent. Any general rise in wages is almost immediately followed by an increased rent. So much is it the case that a general rise in wages is followed by increase in rent that it has actually been made the ground for refusing a rise in wages. The Right Hon. Mr. Goschen, late Secretary of the Navy, actually refused a rise in wages to the workers at the Woolwich Arsenal on the ground that the benefit of the rise would go ultimately to the landowners. He said that during the last ten years wages had increased 20 per cent., but the rent for the workmen’s dwellings had risen 50 per cent., and on that ground he refused to give a rise of wages which would only benefit the owners of the land. In an official memorandum issued a short time ago by Mr. Tregear, the Secretary of the Labour Department, he brought out very clearly that although wages had risen there had been a very much larger increase in the rents, and he showed that there was no hope of bringing any adequate measure of prosperity to the workers so long as the present system continued. That is one great reason why the labour party are opposed to the freehold. They regard it as a veritable mill-stone around the neck of the workers, and they consider that the workers will never be really free and never get their heads properly above water until this system is superseded by a more just and rational arrangement. Another objection to the proposal to extend the freehold is that it will be fatal to our whole land-for-settlements policy. We have just lately purchased two large estates—Mount Vernon, for £95,369, and the Greenfield, for £79,300. Now, if the demand for the freehold is successful we shall have to sell these lands again, and the absurdity of buying large estates one year and selling them the next will soon become apparent, and the land-for-settlements system will be thoroughly discredited. In saying that the extension of the freehold will be fatal to a land-for-settlements policy, I am expressing not only my own opinion and the opinion of the party, but also the opinion of the founder of the land-for-settlements policy, Sir John McKenzie. In a debate which took place on the Land for Settlements Bill in 1897, an amendment was proposed



giving a modified right of property to the tenant, and this is what John McKenzie said on the point—I am quoting from *Hansard*,—

“ I have no hesitation in saying that if it is carried it would destroy the system.

“ Mr. Wason.—No.

“ Mr. McKenzie.—That is my opinion. I say that if you allow properties disposed of in this way to become partly the property of the tenants you will at once have a divided interest between the Crown, the owner, and the tenants—an interest which it would be impossible to meet in any way except by allowing the tenant to become the full owner. If you do that you might as well ‘ shut up shop ’ altogether as far as land-settlement is concerned. The only way we can prevent that is to keep the land on the terms on which it is now held. There are certain members of this House who imagine that if we allow the tenants to pay up part of the purchase-money, and only become mortgagors to the Government to the extent of three-fifths, then the thing would be safe; but I venture to say that this is only the thin end of the wedge, and I warn honourable members who are in earnest about the system not to support a motion of the sort now proposed. It is only giving the people the right to get the property and becoming freeholders.

“ Hon. Members. Hear, hear.

“ Mr. J. McKenzie. Well, if you do that you will spoil the system.”

In the same debate Sir Robert Stout also opposed the same amendment, and he said, “ I take it that in a system of land for settlement you must keep to the lease—you cannot allow purchase of the freehold.” I submit if there are two men in the history of the colony who could be considered to be authorities on such a point they would be the present Chief Justice of New Zealand and the late John McKenzie, who was to a very large extent the author of the land-for-settlements policy. I say when they agree in saying that the adoption of the freehold is fatal to the system their testimony is entitled to very great weight. A further objection is that if the Crown tenants are allowed the option of purchasing, other tenants, such as City Corporation, Harbour Board, and educational bodies’ tenants may demand the same right. Now, that that is not an imaginary difficulty was proved by the evidence given before you the other day by Mr. Donald Reid, who said distinctly that he was in favour of giving them all the right of purchase. He was practically a “ whole-hogger ” in the matter of giving these tenants a right to the freehold. In other words, all these endowments and reserves, including possibly recreation reserves, are to be taken from the people and put into the hands of individuals. Mr. Reid did not say how the revenue which would be lost was to be replaced. I would just point out how disastrously that would work for Dunedin. A league, called the Otago League, has been formed here to advance the commercial interests of Otago and Dunedin, and at a meeting held the other night it was pointed out that the one hope for Dunedin was to get a free port and reduce freights and charges, and they all agreed that the only hope of that—and it was a good and reasonable hope—was an increase in the value of the Harbour Board endowments and the increased revenue which would be obtained from them. If these endowments were taken away it will be a very serious matter for Dunedin. While speaking about Corporation endowments, I might mention that there is a considerable amount of land in Dunedin held by the Corporation and Harbour Board, and in all the leases issued by these bodies there is provision for revaluation every twenty-one years. There has been no public complaint against that system, and these leases were quite satisfactory. The tenants pay a fair rent and they make no complaint. I would like to say a word or two about the alleged natural yearning every Britisher has for the freehold. To say that merely because most men have a certain yearning therefore the State should gratify that yearning seems to me the queerest kind of reasoning. There are a great many natural yearnings that have to go ungratified. Most of us have a natural yearning for a good balance at the bank and as little work to do as possible, but no one is found so eccentric as to suggest that the State should gratify those yearnings. I say it is not a question of the yearnings of individuals, but a question of what is best for the community. And any yearning that conflicts with the highest well-being of the community has no claim to recognition from the State. Moreover, we claim that whatever is legitimate in that desire for the possession of land is fully satisfied by the leasehold provision. The legitimate element in that desire is the desire for a permanent home and for security for improvements and the fruits of one’s industry. We say that is more effectually secured under the leasehold arrangement than it is under the freehold, where the owner of the land is continually liable to fall into the hands of mortgagees and money-lenders. We say that the freehold gives the name of security without the reality, whereas the leasehold gives the reality though not the name. I would like to say a word about the evidence given by Mr. Donald Reid on one particular point. Mr. Reid was asked, among other questions, if a tenant of his came to him demanding the right of the freehold what he would do, and he got out of it in a way that seemed rather clever at the time. He said that if he had the right to tax that tenant to the full extent of any deficiency that might arise in his own income he would be perfectly willing to let him have the freehold. I am quite sure if the member of the Commission had not already promised to only ask one question he would have followed it up by another question, and asked Mr. Reid if he was in favour of a substantial land-tax so as to take from landowners the unearned increment of the land. That is the logical sequence to Mr. Reid’s statement. We take up the position that there should be a substantial and effective land-tax, which should be increased so as to secure the greater proportion of the unearned increment for the country.

4. *Mr. McCardle.*] I might inform you that Mr. Donald Reid favoured that in his general remarks?—That is all right, then. We are glad to have him on our side. I would like, further, to point out that the adoption of the leasehold system and the refusal to grant the freehold is in accordance with the progressive spirit of the time. You see that in a hundred directions. When a goldfield was discovered lately in Japan, and Japan announced to the world that no private individual was to be allowed to exploit the great natural resources of the field, the world applauded the wisdom of Japan. When the Federal Government announced that the site of the Federal

capital is not to be on any account alienated from the Commonwealth everybody agreed with the wisdom of the proposal. We have adopted the same principle by securing to the people those utilities which are really natural utilities and should belong to the people. We have adopted that principle in the Act regulating the water-powers of the colony. I say, then, it is entirely in accordance with the progressive spirit of the times to keep the natural products in the hands of the people, and that it would be an entirely backward and retrograde step to enter on a course which would take the land from the people. I would just like to say, in conclusion, that, although I have spoken as the representative of the Trades and Labour Council and the organized workers, and to some extent have spoken from their point of view, we do not for a moment mean to suggest that the refusal of the freehold is to be carried out simply in the interests of the working-classes. We believe it is entirely in the interests of the whole community. We entirely agree with the witness who appeared before the Commission and said he was a freeholder for himself and a leaseholder for the country. We contend that the whole principle on which this thing should be settled is the interests of the country, and we believe that the extension of the leasehold and the abstaining from an extension of the freehold is in the interests not only of the workers, but of the whole community. These are the chief points I wish to bring up.

5. *The Chairman.*] You have given us, Mr. Scott, a very clear statement of your views. There is just one thing has occurred to me. We have a great deal of back country consisting of hilly and bush lands, which can only be tackled by men who have an heroic heart, and who are not daunted by ordinary difficulties—in fact, men who will surmount any difficulties—and I fear this yearning you refer to is so strong in the minds of some of these individuals that if they are refused the freehold they will really not take up this back country, and these lands will remain in their virgin state. While they do not create the freehold, they create it to the extent that they make the land fit for public and private use. I do not know if you have had any experience of going into this back country, especially in the other Island, but if you have you will find that what I am saying in regard to the difficulties to be overcome is correct, and that the request for the freehold is really very moderate indeed; because a man works there all his life, and he works not only for himself, but with the idea of providing a home for his children; and I fear—I merely express it as a fear and a conviction—that if the leasehold system is to be applied so universally and without any exception these individuals would not tackle the wilderness: what do you say to that?—I merely want to say that, so far as the value of the land was due to the work of these pioneers, that would be absolutely secured to them. I think that the desire for a permanent home and the desire for a special incentive to take up that land might be met by securing the land on a lease to themselves and their descendants by a kind of lease in perpetuity, which would be an incentive to them to take up land and work it under these difficulties.

6. *Mr. McLennan.*] Do you express the views of the unions?—On all general principles I have stated I do.

7. You said you would like to see the land revalued at certain periods?—Yes.

8. Do you mean in present leases or future leases?—Future leases.

9. *Mr. McCardle.*] You quoted John Stuart Mill, and, I took it, your views referred principally to city properties?—Yes.

10. Do you know how the workmen's homes system has worked near Dunedin?—I have no detailed personal knowledge of it.

11. Do you know anything of the terms and conditions?—No.

12. I think I am correct in saying that the Government purchased the land and advanced one-half of the value of the buildings to be erected and the improvements to be effected on that land to the holder: do you think that is a good thing in the interests of the working-men?—The system which I prefer is that the land should be worked through the municipality, and the buildings erected by the municipality and let out at low rents to the workers.

13. You recognise that the lands of the colony belong to the people, and you think they should be worked as near as possible in the interests of the people. If a working-man is unable to secure a home in the neighbourhood of Dunedin at other than an extortionate rent, do you not think it is the duty of the Government to come to his rescue and purchase suitable areas adjacent to the cities for the purpose of providing him with a home?—Yes.

14. The Government are doing that under the land-for-settlements policy in the interests of the farming community, and do you not think that a similar system should be introduced by the Government in the interest of the workers of the cities, whereby the Government could purchase the land and advance the whole value of the improvements, and still make it a good thing for the worker of the city and a safe thing for the State?—I said before I prefer the system of letting the State, acting through the municipality, do the whole thing.

15. I am only asking in regard to the principle of the matter?—If you mean that the Government should come to the assistance of the workers by buying land and giving them cheap homes—certainly, I agree with it.

16. You made a reference to the fact that if settlers were allowed to purchase it would mean putting a profit in the pockets of the money-lenders?—Yes.

17. Does that not convey to your mind that, notwithstanding all the conditions the Government have granted to leaseholders, they are not in a very flourishing condition, but still find it necessary to apply for assistance to monetary institutions to enable them to carry out improvements?—No. My point is this—that when a tenant gets a freehold he gets into these difficulties: that if you give him the option of the freehold he will have to raise money to buy the freehold, and he would be unable possibly to pay the interest, and then he will find himself in difficulties, and ultimately the unearned increment will go to the mortgagee. That will not occur while he is a leaseholder.

18. Do you not know that there is a large number of leaseholders who have their properties mortgaged to the Government and to private monetary institutions?—That is so.

19. And do you know that the struggling settler who is forty or fifty miles from a railway and ten or twelve miles away from a road, and who is settled in the forest without any of the advantages of civilization, and whose labour possibly is his principal capital, is now clamouring for the freehold because of the fact that he needs outside assistance?—I do not know that they are now clamouring for the freehold, and I think that is absolutely the worst form of assistance that could be given them.

20. I can assert, without any fear of contradiction at all, that these men have been refused assistance by the Government, and to enable them to keep themselves and their families on their sections they need outside assistance, and on the leasehold system as it now obtains they are unable to get it?—I think that wants remedying, and the Government should give them far greater assistance than has been given or can be given under the present legislation. But I think it would be a great mistake to give them the freehold, and that it would not be in their interests.

21. Do you know the circumstances of these cases? Do you know that possibly the price of the bush land is about 10s. per acre, and that before a man can make the land fit to take a plough and reap any crop other than the grass sown on the surface it will cost him over £20 per acre, and that if he started with the bush and worked till the day he dropped into the grave he would not accomplish all these results? His interest will be a thousand times more than that of the State in the land, and yet you will not allow him the freehold?—I say, give them a lease for their own lifetime and the lifetime of their descendants; give them every possible concession, even to the extent of not charging any rent at all until the land is in an improved condition. I would give them every concession, but I would not give them the freehold.

22. Would you give them twenty years free of rent, so long as they were putting improvements on the land?—Not twenty years.

23. *Mr. Hall.*] Have you had any experience in regard to the settlement of land in the back country?—No.

24. You are speaking from theory?—I am not speaking of the settlement of the land in the back country. I am speaking very largely as it affects cities, and also in regard to general principles.

25. Of course, you must admit that the cities are entirely dependent on the prosperity of the country?—I think they are mutually interdependent.

26. You can no more build up the cities without the country than a house without foundations?—On the other hand, the cities offer a very good market for the country, so they really react on each other.

27. Of course, you will say that if the country is settled in a prosperous way that will build up the cities and make their industries prosperous?—Yes.

28. Is it not the export of produce from the country that provides the interest for the enormous loans that have been spent chiefly for the benefit of the cities?—Very largely that.

29. It is about £12,000,000 out of £13,000,000. Are there any manufactures exported?—It is chiefly produce.

30. You gave us a statement of increased values. Was that from a period of depression up till the present, when there is what is called a boom in the country? Is that a fair way of showing the increased value of property?—I simply wanted to emphasize the fact that as every community advances the value of land increases.

31. But if you take the value over a period of years when a boom has been in progress that is not a fair statement of the case?—I will suggest that you go back as far as you like and take it from the beginning of the colony, and find out the values then and the values as they are now. I do not think any one will suggest, going back as far as you like, that land has decreased in value.

32. You spoke of the yearnings of the settlers for the freehold, and that the Government should not recognise the yearnings of that kind?—Not if they conflict with the interests of the community.

33. Well, the Government have recognised to a large extent the yearnings of what are called the workers of the colony by legalising, as they have, a standard rate of wages and other benefits?—That is in accordance with the condition I laid down. We say it is not in conflict with the interests of the community to give the workers a living-wage. On the contrary, it is not only in the interests of the workers that there should be a good living-wage for the workers, but of the farmers also, because the workers' purchasing-power is increased, and the market of the farmers is also increased.

34. But is it not also a fact that the Government cannot increase the value of the products of the soil?—Yes.

35. If they increase the cost of production beyond a certain limit, what is to become of the country? Is not the country entirely dependent on the products of the soil, and are not every man, woman, and child in the country also dependent on them? The Government can say to a settler he must pay a certain rate of wages, but they cannot insure him a higher price for his mutton and butter, and if they carry that beyond a certain point and the industries of the country are killed, what is to become of the cities or any one else? Is the colony not dependent entirely upon the success of land-settlements and the production from the land?—Certainly not. It depends very largely on them, but it depends also on building up successful manufactures and founding flourishing industries so as to give the workers useful and remunerative employment. It depends on both these things.

36. What export of manufactures is there, and what money does it bring to the colony?—I am not talking of exports but of manufactures.

37. But there must be exports of some kind to pay the interest on the national debt of the colony. If the exports of the country stop for one year, of course, the colony would be bankrupt, and who is to pay wages then? Do you not think that some consideration should be given to the settlers in the back blocks of the country?—I am not speaking of acquired estates—in order to promote settlement there?—Yes.

38. Do you not think that a rigid adherence to the leasehold of the Crown lands and the back lands of the country may be very prejudicial to the welfare of the State?—I do not suggest that we should adhere rigidly in the sense of limiting them to a short term of lease, but I think the State should give them concessions in the way of an extended lease, and give their descendants the right of occupation.

39. If the people will not take up the unimproved country in the back blocks on leasehold, what then?—I would say that all the other land should be taken up first. There is a good deal of land which is not rough or back country but possibly should be acquired. I would make every effort to have every inch of land that is worth cultivating settled before I drove them to the back country.

40. I do not include the improved lands acquired by the Government—I refer to the Crown lands of the colony?—I understand.

41. I think if you had had any experience of settlement in the back parts of the country and making a living off that land you would not be so strong in your opinion?—I would be just as strong, because it is a matter of definite principle. I would give these men every concession that could possibly be devised short of parting with the people's rights and interest in the land. Suppose the country progresses in a hundred years, that very bush land may be extremely valuable through the construction of railways and improved means of communication. If a few light railways were put through the colony they would increase the value of land very largely, apart altogether from the value of the mineral deposits and the timber on them, and I say we should not deprive the people of their rights and interests in that land. Give the tenants every concession that could be devised to make their lot tolerable and comfortable, but do not part with the people's whole right in the land.

42. You spoke of the land increasing in value: have not the expenditure and toil of the pioneers in the back country chiefly given that value, and if railways are made are not these very people taxed to pay for the railways?—They bear their share possibly, but, so far as the value of that land is due to the efforts of the pioneers, I say let every penny of it be absolutely secured to them; but, so far as it is due to improved communication and increased population and the general progress of the community, I say that portion should be secured to the community.

43. You spoke of the increased value in land generally, but is it not a fact that in many cases land has gone down in value and the poor settler has gone down too, and has lost his all?—That is an argument in favour of what we advocate—leasehold with revaluation. We say if the land decreases in value it is only right the tenant should pay a lesser rent. Consequently, that is really an argument in favour of what we claim.

44. *Mr. Johnston.*] Do you say that all your remarks apply to the cities, and not to country lands at all?—My remarks in regard to general principles dealing with the land question apply to all lands. Some of those quotations I read apply more especially to the towns.

45. Would you not allow workers in the towns to have a freehold section in the towns at all?—No. I would not allow a worker or anybody else.

46. You think the land in the cities should be entirely in the hands of the Government?—Entirely in the hands of the people.

47. *Mr. Anstey.*] Would you generally be in favour of placing all reserves, together with the Crown lands, under the administration of one body, say, the Land Board?—That is a question I have really not gone into at all, and if I answered it would be on the spur of the moment and therefore of no value.

48. Can you tell me in what periods these revaluations you advocate should take place?—Every twenty-one years.

49. Do you apply that to all Crown lands?—Yes, I should say so.

50. You think the same period would be suitable for town properties and for country properties?—Yes.

51. I suppose you are aware that in many country districts it will take a great deal longer than twenty-one years to find out what the improvements amount to or before they can be accomplished; for instance, a man could not possibly recoup himself on bush land in that time, and would it be equitable then to revalue him in twenty-one years?—The revaluation would not affect his improvements; it would apply only to the unimproved value, and if that unimproved value had increased it is only right that the community which created the value should get it.

52. The improvements on any property—to whom do they belong?—To the man who makes them.

53. No matter whether he is the tenant, the landlord, or the State?—Yes.

54. Would you be in favour of altering the existing law to the extent of actually conferring the value of the improvements to the maker of those improvements? You are aware that under the present law the value of the improvements is conferred upon the landlord unless he specifically gives away that right?—Yes.

55. Would you be in favour of altering the law giving the leaseholder the absolute right of the improvements?—Yes.

56. To whom does the unearned increment belong?—I say it belongs absolutely to the State.

57. You say that there is six hundred thousand pounds' worth of what you call the unearned increment on land-values within a certain period: does that belong to the State, or does not some portion of it belong to the tenant?—The whole of it belongs to the State. I say it is the community that has created the increase in the unimproved value.

58. Is there no portion of it that belongs to the man who has made the improvements? You say there is £600,000 of difference between the value of land some time ago and now?—No. That is the difference in the unimproved value of the land.

59. Is there no portion of the unimproved value due to the improvements made by the tenants?—No. That is absolutely the increase in the unimproved value—simply in the value of

ground as ground. I say the increased value is dependent on the increased population and the increased facilities of communication. But I say that if it can be shown that any proportion of the increased value of the land is due to the efforts of the holder of the land, then he should get that.

60. Let me state a case. A great deal of the bush and swamp land is absolutely valueless until it is improved, and not only is it absolutely valueless, but it is a cost to the State in keeping down noxious weeds, &c. Therefore the occupier who makes the improvements puts practically the whole of the value into that land. Does no portion of that increase belong to the man who has made the improvements?—The improved value of the land would not be unearned increment. There are two valuations. There is a valuation of land with improvements, and there is a valuation deducting the value of the improvements. It is only the valuation of the land apart from the improvements we deal with.

61. Can you mention any system whereby you can ascertain the value of the improvements? For instance, in the case of bush land, the improvements entirely consist in the removal of the forest, in the first instance. How can you ascertain twenty years afterwards the value of the improvements effected on that land?—You can ascertain it by the market value for one thing.

62. There is no market value for anything you cannot see?—The market value of the land.

63. How can you ascertain a tenant's interest in the market value of a thing you cannot see?—I do not know.

64. Following out your argument that the State should be the holder of all freeholds, supposing a man goes on to a bush section which is practically valueless, and he puts on improvements that represent nine-tenths of the value of the land. Do you say that the State should remain the landlord, notwithstanding the fact that the tenant himself is the owner of nine-tenths of the value of this land? If you are consistent and say that the landlord is to remain the owner, is it not right that he should be compelled to purchase the tenant's interest?—I have no doubt the State would be willing to do that, but I think it is an impossible position. Assuming, for the sake of argument, that the value of the improvements is nine-tenths the value of the land, we are not framing a policy for the present time only. Every country progresses and so will this country, and it will not be very long before the position is reversed and the value of the land will be infinitely greater than the value of the improvements.

65. That is an impossibility in the case of rough land?—It is very hard to say what is an impossibility.

66. You say that, notwithstanding that the tenant's interest may be much greater than that of the State, the tenant should retain the ownership of the land?—Yes. I think the State should not part with the people's right and interest in the land.

67. You say that every one wishes to have as large a balance at the bank and to do as little work as possible: I suppose you really do not want that to go forth as a fair expression of your opinion?—I said, in the first place, that in reference to the general principles I laid down in reference to the land that I was the mouthpiece of the labour party here, but I did not say that in respect to every illustration I gave I was the mouthpiece of that party. I think in your question you are unfairly twisting my statement.

68. Will you correct that statement and say that your party demands a living-wage, and in return for that you make it an absolute condition that the worker shall do an honest day's work?—Yes. I was merely illustrating the general sentiment of human beings that they do not love work for its own sake. Of course, some may do so, but most do not.

69. Do I understand you to say that in advocating the land-tax you advocated it with no exemption?—The improvements are exempted.

70. Yes, but with no further exemption whatever?—No.

71. In that case, would you be prepared to advocate an income-tax with no exemption?—No.

72. You think there ought to be an exemption in the case of the income-tax, but there ought to be no exemption in the case of the land-tax?—Because the object of the land-tax is to take the increase in the value of the land which is due to the progress of the community. It is not due to the work of the holder of the land. He is exempt under the improvements.

73. Are you prepared to advocate a land-tax without any exemption whatever?—Yes.

74. And you say there should be an exemption in the income-tax?—Yes, to the extent of giving every one a living. I advocate an exemption in respect to the farmer's income, as well as in the case of every one else's income. He pays a tax on the unimproved value of the land, which belongs to the community.

75. Does the unimproved value of the land belong to the community?—It should belong to the community.

76. After the individual has paid for the land, does it belong to the community?—No, but the increase in the unimproved value does.

77. Are you in favour of imposing a land-tax without the £500 exemption?—Yes.

78. And are you in favour of giving exemption in the case of incomes but not in the case of the land-tax?—Yes, in the incomes of farmers as well as of everybody else.

79. You said just now that by giving the tenant the right of purchase it would be depriving the State of the moderate rent which it now gets?—Yes.

80. Do you mean to say that when the State sells the freehold it is deprived of the equivalent to the rent?—It loses that source of revenue.

81. Has it not got the money, and cannot it invest that money?—Yes.

82. Then, how do they lose the rent or its equivalent?—They lose it as a source of revenue.

83. But they invest the money somewhere else?—The point I wish to bring out is this: that the land will increase in value, and the State is depriving itself of a very valuable source of revenue by once parting with the land.

84. Returning to the question of the freehold, do you propose to place any restriction as to

area on the freehold?—I do not believe in the freehold, but I would put a restriction on the area of freehold land that may be held.

85. Would you restrict it by area or by value?—By both; quality would be the chief consideration.

86. Would you be in favour of the State having the power to take land, paying compensation?—I do not see any objection to the State paying a man full compensation if he has more land than he ought to have.

87. But you would not advocate taking away the land from him without full compensation?—No.

88. Are you in favour of the land-for-settlements policy?—Yes.

89. Are you in favour of the purchase of large estates and disposing of the land under the leasehold system?—I am not in favour of the 999-years lease.

90. You favour a lease with revaluation?—Yes.

91. That would apply to future leases?—Yes.

92. You do not propose to do away with existing leases?—No. I would not make it retrospective.

93. *Mr. McCutchan.*] You want to stop the sale of Crown lands and to have a revaluation clause, and you mentioned a period of thirty years: why do you fix that period?—There is no absolute rigid period fixed, but we suggest about twenty-one years as being a fair period, broadly speaking. It is fair to both parties. It gives the leaseholder a good chance of getting fair use of the land without being continually subject to changes, and, on the other hand, twenty-one years is quite a reasonable time in which to have a change made.

94. Is it not the case that the value of the land is proportionate to the value of the products got from it—that is what fixes the intrinsic value of land—we are dealing with Crown land?—That may be so.

95. It seems to me that revaluation as you propose is irrational, because there may be five or six variations of value during the term of the lease, and at the end of the term there may be either a period of inflation or one of depression?—That applies to any period you may fix. I mentioned twenty-one years because I think that is a fair period.

96. If you are going to make a calculation over a long term of lease and strike averages, where is the necessity of this fixing of the rental, because the conditions in the colony are not dependent on the circumstances of the colony but on the markets outside, and that will be so for perhaps the next couple of hundred years?—It is partly dependent on that and partly on other factors.

97. How does the increase in the unimproved value belong to the community?—Because it is due to the increase in the population and to the improved means of communication.

98. You state that your remarks spring from theory, or are largely based on it: have you read the statistics on this matter?—Yes.

99. Have you gone intelligently into the statistics as to what causes the value of back country land?—I am speaking of the general increase in the unimproved value.

100. Have you any idea what has been spent by the settlers?—I know that the Government does not bear the whole of the cost of roads, but we say that these properties should not be loaded because of the roads.

101. That the State should pay that cost?—Yes, partly, anyhow.

102. So as to conserve to the community the increased value?—Yes.

103. The State has the right of taxation, and they have exercised that right in the case of the graduated land-tax in order to secure a portion of the increase in land-values. So that your statement is not absolutely correct?—It is correct, unless you are willing to admit that there should also be an increase in the tax on land-values up to the full extent of the unearned increment.

104. You said that the tenants were getting the land at a very low rental?—Yes, on the average.

105. Are you aware of the area of land the Government have acquired from the Natives?—No.

106. We have acquired 8,000,000 acres. Are you aware of the cost of that land? I may say that the Government has spent £2,000,000 in acquiring it. That gives an average of 5s. an acre, roughly speaking?—Yes.

107. The settler has to pay for the loading, and the total cost to the State is about 7s. 6d. an acre, and they are selling the land to the tenants at a value of from £2 to £2 5s. an acre?—That may be so.

108. I have been in the back country for twenty-five years, and I say that no man will dream of taking up back-country land unless he gets a freehold or the full increase in the value of the leasehold. I am perfectly certain that if a revaluation clause were introduced it would stop back-country settlement. Most men who have had long experience in back-country settlement say there is no difference between the fool and the pioneer, because the pioneer nearly always goes out of the struggle broken in health and in fortune. You may say that there is no dependence between the town and the country; it is the markets of the world upon which the country settler is dependent. In a very remote degree he is dependent on the cities in the colony at the present time?—So far as the workers are concerned, they have the strongest possible sympathy with the workers in the country. There is no antagonistic feeling between the workers in the cities and their fellow-workers in the country—in fact, there is the strongest possible sympathy from the town workers with the struggling settler. There is no hostility in that respect, and I am glad to have this opportunity of removing any misapprehension that may exist on that score.

109. You say you would secure to the tenant his improvements?—The absolute right to his improvements.

110. How would you keep a record of his improvements?—What is the difficulty?

111. How would you keep a record of the improvements made twenty-one years back: do

you mean that the valuer would go on the land at the end of twenty-one years and value the improvements then?—Yes.

112. Suppose half of those improvements were not visible?—Are records not kept of the position and state of the land when the tenant took possession.

113. Are you aware that the unimproved value is increasing even at present, and that improvements are already being discounted on the ground that they are not visible?—It seems to me that it should not be a difficult thing to value the improvements. The Government valuator could make periodical visits—even an annual visit if necessary—and value the improvements.

114. Would it not be a good idea for your union to subscribe and send one of your men on to land in the back blocks, and then, in a few years, get his verdict?—I have seen men who have been on the land, and I indorse the evidence they have given. These men were themselves Crown tenants.

115. Were they working Crown tenants of back-country land?—They are Crown tenants, and they indorse what I have stated.

116. Can you give me a name?—I have here a resolution passed by a meeting of Crown tenants in Windsor Park and Elderslie Special Settlements.

117. That land comes under the Land for Settlements Act, and they have got facilities with respect to roads there, and they have no drawbacks?—With regard to the back blocks, I am in favour of giving the settlers there every possible concession that will act as an incentive to them to take up the land and that will make their lot tolerable—anything short of giving them the absolute right of acquiring the freehold, because some day even that right will be extremely valuable, and we say that it would be bad business to absolutely alienate an estate that will be valuable in future years.

118. You say that you favour leases for a long term of years in such cases: what term would you give?—Say, for ninety-nine years, or within the term of their lives and their families.

119. At the original rentals?—No; with revaluation.

120. A lease with revaluation is a twenty-one-years lease?—Revaluation only applies to the unimproved value. It does not apply to anything the tenant has done; it applies simply to the unimproved value due to the community.

121. Do you not think it should be the object of the State to make the people as content as possible?—Yes.

122. Do you think a revaluation clause in a twenty-one-years lease will result in the rural settlers in the colony being contented and happy, or do you think that people in any other country would be contented and happy under such conditions?—I do not see why they should not be.

123. Take France, Germany, Denmark, Belgium, and Holland—what is the experience there?—The experience in France is that land is passing into the hands of a very few people, in spite of the vaunted system of peasant proprietorship.

124. Who is your authority?—M. Toubreau is the authority.

125. I understand that in France the evil is rather that of excessive subdivision?—No; the land is gradually getting into the hands of fewer individuals. If I had thought that this question would have arisen I would have brought you the statistics.

126. *Mr. Matheson.*] Will you let us have these statistics?—Yes; I will forward them to the Commission.

127. Is your ultimate aim the nationalisation of the lands of the colony?—Yes; we look upon that as the ideal.

128. You said that a good leasehold gives the reality, and the ownership of the freehold is only a shadow: why not sell the shadow, if any one is willing to pay for it, seeing that you still retain the buyer and are able to tax him?—There is a little fallacy that comes in there. I would like to ask the members of the Commission if they are in favour of the land-tax.

129. If it could be shown that the selling of the freehold would make the people more contented and the land more productive, do you think it would be wise to sell the land?—That is a hypothetical case. I deny that the land would be more productive. In any case I would be inclined to say, even if there was a slight increase in the production, it would not compensate for the loss to the State in parting with the unearned increment of the land.

130. You said that you thought the increment caused by the general progress belonged to the State?—Yes.

131. Then, has the State the right to a share in the increased value of a newspaper business which is caused by the general progress of the community?—The increased value of a newspaper business is quite different, for the newspaper-proprietor gets nothing that he does not give value for.

132. Do you consider the compulsory clause in the Land for Settlements Act to be a breach of faith with the original settlers?—No, because most of them are not here, and the present settlers get full value for their property. The interest of the individual must be subordinate to the interests of the community. That is a recognised principle in taking land for railways.

133. Is it possible by legislation to assure to town workers a fair wage and a comfortable living?—Not if the present system of landlordism continues.

134. Theoretically, you would say it is possible to arrive at that by legislation?—Yes, if a rational land system is inaugurated.

135. Is it possible by legislation to insure to the farmers of New Zealand a fair market?—Something has been done in that way already in the finding and development of new markets.

136. Would it encourage land-settlement to increase the land-tax?—I do not know.

137. Is not such action likely to kill the goose that lays the golden egg?—No. It is likely to kill the freeholder, and then the land would be open for settlement, possibly on easier conditions.

138. You spoke of the absurdity of the Government buying land for settlement and then parting with it again?—Yes.

139. You know the object of that Act was to encourage settlement?—Yes.



140. Seeing that by selling it there would be no loss and that settlement would be promoted, why would it be absurd for the State to part with it?—Because settlement can be encouraged without doing that.

141. You have quoted *Hansard*: do you consider Mr. Rolleston's opinion on the land question of equal value with that of Sir Robert Stout?—I consider he was a very advanced and progressive man.

142. Did you read Mr. Rolleston's speech in that debate?—No.

143. I think you will find that he gave just as strong arguments on the other side. Were you not rather distorting the position and what took place in saying that Mr. Donald Reid the other day urged the wisdom of the State selling reserves, such as recreation reserves?—No. I said, in answer to a question, that he made no exception, and, to be consistent with what he said, it must be so.

144. Is there not a great distinction between land which the State requires to be made use of for settlement and such land as recreation reserves? I think you will agree that there is a distinction between recreation reserves and education reserves?—Yes; but I think it is a difficult thing, having once allowed the claim for the freehold, to exclude them.

145. Are you aware that under the latest British land laws the Government are acquiring land and leasing it with right of purchase?—I do not think that the British land laws are a model for us to copy. They move very slowly in the direction of progress in Great Britain.

146. *Mr. Paul.*] I suppose you are also aware that had it not been for the freehold the large expenditure now being made in the purchase of land for settlement there would not have been required?—Yes.

147. The question of a newspaper was brought up a short time ago, and a parallel was drawn between the profit from a newspaper and the profit from the land: is it not a fact that newspapers can be multiplied, but no man can increase the area of the land?—That is so.

148. Then, there is something in the one case that is altogether absent in the other?—Yes.

149. With respect to revaluation, you are quite positive that there never has been any proposal made by the party you represent to have this applied retrospectively?—I never heard such a suggestion made.

150. You have noticed that the suggestion was made by witnesses who have given evidence before the Commission during the last month?—Yes; but not from authoritative witnesses from our party.

151. Have you ever heard of a proposal to revalue the land in periods of three or five years?—No.

152. Do you think there is any possibility, if the option were given, of the good land being taken up and the inferior land being left on the hands of the State?—There is a great possibility of that.

153. It has also been said that it is too late now to conserve the land in the hands of the Crown, and therefore it is proper to sell the remaining Crown land: do you think that would be a proper thing?—It seems to me it is the very opposite. I think the State should preserve all the land it has.

154. Do you not think the Rangers might keep a record of the improvements made by the tenants, so that the tenants' improvements would be absolutely protected?—It seems to me that would be quite feasible. I do not see any difficulty about it at all.

155. If the option is given under the Land for Settlements Act, do you think it would be fair to give it at the value assessed at the time of the occupancy of the land or at the present time?—I should certainly say at the present time.

156. Do you think there would be anything unfair in insisting that the land should go to the highest bidder?—No, because it is a business transaction, and the increase in the value of the land is due to the progress of the community, and I think the community has the right to get the fullest measure of that increase.

157. But, providing that the tenant is satisfied to abide by his agreement with the State, you would not suggest any alteration in the existing leases?—No.

158. I suppose you favour the provisions in the Land for Settlements Act being put into operation in the case of land for workers' homes?—Yes.

159. I think you have said that, even with the rise in wages, the worker is not relatively in a better position whilst the landlord is there to raise his rent?—That is so.

160. From your knowledge, are the labour party in favour of closer settlement on similar lines to the land-for-settlements policy?—Yes; they are extremely anxious for that. They are also desirous that the lot of their fellow-workers in the country should be made as comfortable as possible.

161. Your fear is that by giving the option of the freehold that system must break down?—Yes.

162. With reference to "natural yearning" for the freehold that has been so often spoken of, do you not think that is materially aided by the fact that, generally speaking, the freehold pays handsomely?—Yes, especially in the cities, the "natural yearning" for the freehold is easily explained.

163. You are of opinion that settlers taking up bush land should have every inducement given to them?—Yes.

164. If after inquiry you thought the bush settler was entitled to getting his land rent-free for a term of, say, twenty years, you would have no objection to giving that to him?—I think that every reasonable concession should be given to him in order that he may be able to make a comfortable living. I have no personal knowledge of bush land, but I would have no objection to every reasonable concession being granted to him.

165. It is purely a question of inducement, and you are prepared to give him practically an equivalent of the freehold?—Yes.

166. Is the major portion of the produce of the colony consumed inside the colony or outside the colony?—I should say inside the colony.

167. I know that you sympathize with the drawbacks the early pioneer has had to encounter; but how do you think, in the case of Otago, for instance, the pioneer compares with the man who has been working for wages all his life?—In most cases the original pioneer is very comfortably off indeed, whilst the worker has a tough struggle all the time.

168. *Mr. Forbes.*] Do you not know that our export amounts to about £12,000,000? You would not say that more than twelve million pounds' worth of produce was consumed inside the colony?—I was speaking offhand. On further consideration, I should say that the portion consumed inside the colony is very considerable indeed.

169. But you would not say that more is consumed inside the colony?—No.

170. The party with which you are associated are not in favour of revaluation every three or four years?—No; and when I mentioned the term of twenty-one years, that is merely a suggestion. All they want is a reasonable term.

171. Do you think that the present state of our land laws has had a great deal to do with forcing men to take up very poor land with very little chance of success?—Yes, by leaving the best land in the hands of the private individual.

172. *Mr. McCardle.*] You have said that you thought a very close valuation could be made if the Rangers visited the sections periodically and made revaluations. But in the case of bush land the settler has to work for four or five years from daylight to dark clearing his land, and yet the value of that work is never included in the valuation of the Ranger: how would you arrive at the real valuation of that man's labour on the land? The settler gets no allowance made for the work he has done?—That seems unjust. I do not see why he should not get an allowance.

173. Then, there is another difficulty. One man may get an excellent burn and his neighbour may get a bad burn: how are you to discriminate between the two cases?—That is a matter of detail.

174. I may mention that in the district I come from the people are begging for a local body in order to get roads. There are no roads and no schools, and none of the advantages of civilisation, and I am perfectly certain, after spending twenty years on that land, the only thing they will get in the shape of the unearned increment is what, I think, is simply a fair return for their labour and toil and the privations suffered by themselves and their families. That is the case of the bush settlers in hundreds of cases in the North Island?—I would not call that unearned increment.

175. *Mr. Hall.*] You say that the increased value of the land belongs to the people at large: do you mean by that that all the inhabitants of the colony are equally entitled to it?—No; I believe it should be vested in the people of the country through the State or through the municipality.

176. Suppose two artisans came to Dunedin, and after working at their business or trade for a number of years one of them has saved £500 or £600, and with that money he takes up a piece of land in the back country and makes grass grow where there was only fern or forest formerly. The other mechanic has spent his savings and has done nothing to promote settlement in the country. Surely you are not going to say that one has done as much to promote settlement as the other?—Not at all. My remark only referred to increase out of advance of population, and so on.

177. *Mr. Anstey.*] Might I ask you to make a little more clear the answer you gave to Mr. McCardle when he asked you with regard to the expenditure of the bush settler. He said that the bush settler buried himself in the bush, away from all the benefits of civilisation: would you include all the expenditure these settlers make in the way of education, and so on, in their valuation for improvements?—I would include whatever can be shown in the holding itself.

178. Suppose a man wastes twenty years of his life, would you allow him twenty years' wages?—I would allow whatever improvement he had made on the land, either directly or indirectly—full value.

179. You would allow full value for everything he could show he had produced, and the State could take all the rest of the increment?—Yes.

180. Supposing a settler could show that he had spent considerably more than the improvements came to, would you be in favour of the State paying to him the difference?—I do not quite catch the question.

181. Supposing a man spent £10 improving his land, and at the end of his term the land is only worth £9 an acre, would you be in favour of the State recouping that man? If the value was £9 and the improvements have brought it up to £10, you say the settler is entitled to the £1 from the State?—We believe in a revaluation, so that if there is a decrease the man will get the benefit of it.

182. He would get it back again?—Yes, in reduced rent.

183. *Mr. McCutchan.*] With regard to the unimproved value. Take the case of 100 acres of land on which the Government upset is £1 an acre, but the tenant pays £3 to come in—that is, £4 the land stands at. Three years go by and no improvements have been made, but the land has gone up £1 an acre. The State's interest then would be £2 and the tenant's interest £3?—Yes.

184. You said that the unimproved value of Crown lands, presumably since 1892 when the change in tenure was made, had gone up from £6,635,975 to £7,300,512. You said that if the tenants got that increase it would be a bare, bald steal from the State: what made that increase?—I say it was due to the increase of population and increase of communication.

185. Now take what the tenant has done. You will find from the Year-book that from 1902 to 1903 the County Councils and Road Boards of the colony have spent £675,000 on roads, which they have raised out of rates and loan. The unearned increment, as you say, is £634,000, but in the meantime the settlers have spent £675,000 on roading. There is no unearned increment there?—There is an unearned increment, but not a proportionate unearned increment.

186. Mr. Paul asked you to draw a contrast between the position of the worker and the position of the pioneer settler, and you mentioned it as your opinion that the position of the pioneer settler was much better than the position of the worker of the colony. Who were the original pioneers of the colony?—I understood that what was meant was the settlers who took up the land here first.

187. What is the position of the worker to-day as compared with the position of the worker on the land generally?—So far as my knowledge goes, I know a great many small farmers of the colony, and I believe they are much better off than the workers.

188. From what ranks did they graduate from in order to become settlers on the land?—Farm labourers and workers.

189. Even people from the towns have gone on to the land and been fairly successful?—I suppose they have.

190. Where did they get the money?—Most of those that I know happen to be people who have spent their lives there.

191. Surely the majority of the settlers have gone on to the land in the last ten years, and must have come from somewhere?—I am not speaking of those.

192. Are not the best settlers to-day men who have come to the colony with nothing, and have used the means that they save to make the land productive?—My experience does not go in that direction.

193. *Mr. Paul.*] With reference to the amount of produce consumed inside and outside the colony, there is the question of price to be taken into consideration. Is it not a fact, generally speaking, that the price of produce consumed in the colony is higher than the price of the produce that we send outside the colony?—That is so.

194. Is it not a fact that part of the exports are the result of the labour of the wage-earners?—Of course, they are.

195. With regard to this question of the unearned increment. In the train on Saturday we passed through an estate that could have been bought some years ago at between £2 10s. and £5 per acre. That estate has not been improved over £5 per acre at the outside. It was sold recently for £22 10s. Who do you think was entitled to that value?—I think, as I have said all along, that the State was.

196. That is a concrete example of what you mean by the unearned increment?—Yes.

197. You think that the tenant's improvements should be absolutely conserved?—Yes.

198. Is it not a fact that improvements decrease in value while the general tendency of land is to increase in value?—That is so.

199. Therefore, although the State's interest, or supposed interest, may be only 10s. per acre and the tenant's improvement may be pounds per acre, the time is coming when the position will be reversed?—That is what I tried to point out, that that was a very possible and probable contingency.

200. When you mentioned that there was a yearning for men to do as little as possible, even in that example you meant all classes of people?—Yes; I said most men, not any particular class at all.

201. It has been represented to you that the land-tax would be a class tax, and that the wage-earner would not pay land-tax. I understood you to advocate land-tax without exemption?—Yes.

202. Would not the wage-earner then pay land-tax on his property in the city?—Yes.

203. Then, it is not a class tax?—That is so.

204. *Mr. Forbes.*] Were you instructed at all by your Council as to the constitution of the Land Boards?—No.

205. *Mr. Johnston.*] You said that the workers who have gone from the city and taken up land have done well: have they done better than the workers in the city?—I could not express an opinion on that.

206. Can the workers in the city not save money?—No, because of the high amount they have to pay for rent. They do not save what they should.

207. How is it that the savings-bank returns have increased so much of late years in comparison with the population?—I do not say that none of the workers can save money, but I do say they do not save what they should by reason of the big drain on them in the way of rents. The deposits in the savings-bank are not wholly from the workers.

208. Mostly they are?—A good deal, but not wholly. I know they have increased.

ROBERT COTTON examined.

209. *The Chairman.*] What are you?—I am a farmer and runholder at Waipori. I have a freehold farm of about 500 acres. My run is in different parts. I have 6,000 acres in one run, 2,000 acres in another, and my son has 30,000 acres adjoining. Altogether my son and I have 38,000 acres of pastoral lease, for which we pay about £250 a year. It is pretty high country, and we carry about six thousand sheep. The altitude runs from 1,200 ft. to 3,000 ft. above the sea. The high country is the Lammerlaws.

210. Is there any particular point you wish to bring before the Commission?—No.

211. You have had a good many dealings with the Land Board?—Yes.

212. Do you approve of the nominated system in connection with Land Boards?—I think a proportion of the members should be taken from experienced farmers.

213. Do you think the Land Board should continue to be nominated. There are five members now—one is the Commissioner of Crown Lands, and the other four are nominated by the Government. They are farmers, I believe, at the present time. Do you approve of the system of nominating members being continued?—It has answered very well so far, but there is a feeling that old settlers should from time to time be put upon it.

214. Do you think the nominative system is right?—On the whole, Yes. I think the biggest proportion should be nominated by the Government.

215. Have you any remarks to make about the various forms of land-tenure?—There is not much that I have to find fault with. The lease in perpetuity has been very good for the settlement of the country.

216. Do you think that the natural pastures of the country have improved or deteriorated?—They have improved.

217. How long have you been a runholder?—Thirteen years.

218. Could anything further be done to improve them? Take your own place. What could be done to improve your own place more than is done now?—Surface-sowing.

219. Have you ever tried it?—Yes, on my freehold.

220. How many acres?—About 300 acres.

221. Is it long ago since you did it?—Several years ago.

222. What was the result of it?—Between the natural grasses and the seed sown there is very fair feed.

223. How much do you think it improves your carrying-capacity? Did it pay to do it?—Yes, I believe it does pay. I think it improves it about one-third.

224. What is the altitude of your freehold?—1,300 ft. to 1,400 ft. above sea-level.

225. The biggest part of the freehold is ploughable?—Yes.

226. *Mr. McLennan.*] Are you allowed to cultivate your leasehold?—No.

227. Do you not think it would be an advantage if the Act was amended to enable you to take off so-much winter feed from the leasehold?—I would approve being allowed to plough a portion of the leasehold.

228. Provided you are not allowed to sell any of what you take off?—Generally speaking. Where I live the township cannot support itself. It has to go outside for produce. I may say I am the only farmer in the district although there is a small township there, and it is necessary for me to sell locally a portion of the horse-feed. I never thresh anything. I merely grow for my own horses, and perhaps a little for my neighbours when they require it.

229. Supposing you were allowed to cultivate part of the leasehold to enable you to get winter feed for yourself, how many more stock could be carried on the leasehold than at the present time?—I could easily keep as many more at present if it were not for the high price of stock.

230. If you were allowed to improve the leasehold by ploughing, how much would it improve the capacity of the leasehold?—It would improve it considerably, but I have sufficient freehold to work without going on to the leasehold. If I had not the freehold I would then be very anxious to get liberty to plough and cultivate a portion of the leasehold.

231. Would you be in favour of giving the Land Board more discretionary power than they have at the present time?—Yes. If I had no freehold I would have asked the Board to allow me to cultivate the leasehold. I did so ask at one time, and they said they could not grant the request. I consider the Board should have that discretionary power.

232. *Mr. Anstey.*] Would your run be capable of improvement by surface-sowing?—The low portion of it.

233. Why have you not done any improvement on it?—Because I had plenty of ground for the stock I had.

234. Would you be prepared to do surface-sowing?—It would be very limited in my case.

235. If you did surface-sowing would it be detrimental to your interests in getting the land again?—I would not study that for a moment.

236. You would surface-sow, notwithstanding the absence of the right of renewal?—Yes.

237. With regard to the cultivation of the leasehold, you are aware that there is no right now to cultivate?—That is so.

238. Would there be any harm in allowing tenants to cultivate the leasehold?—I think it would improve matters in many cases—I do not say it in my own case particularly; but if I had not the freehold I have I would be very glad to get liberty to plough and sow a portion of the leasehold.

239. Would you spoil it by cropping?—It would improve it.

240. Provided you put it down in grass immediately afterwards?—Any sensible man would sow down in order to have a better crop of grass in winter.

241. *Mr. Paul.*] Do I understand that you have some objection, or were you whole-hearted in your support of the nominative system for the Land Board?—I would like some members of the Board to be elected from the old settlers of the country; but, on the whole, I think the Government has the right to nominate the major portion of the Land Board.

242. By nominating some of the older settlers of the colony I presume they would be settlers wholly of the freehold?—Most probably.

243. You think that interest predominates over any interest the Crown tenant has in the negotiations of the Land Board?—I think their experience would give them a better knowledge.

244. What franchise would you elect that portion on?—By the vote of the district for which the man was required.

245. The parliamentary franchise?—Yes.

246. Is there anything in your lease that prevents you using the pastoral lease to the best advantage?—Only the one clause—the Board cannot give power to cultivate. That should be in the hands of the Land Board.

247. *Mr. Forbes.*] Your son has done no surface-sowing on the 30,000 acres?—No; that is all high country.

248. You said the pasture was improved in that part of the district?—Yes.

249. Have you got rid of the rabbits yet?—Not quite; but they are decreasing.

250. Would you say that is why the pasture has improved?—That in itself has a certain effect. The grass of the country has improved within the past twenty years.

251. In that particular part of the country?—Yes. I have been over a good deal of it myself.

252. Our evidence from other parts of district has been that for the last twenty years the grass has been going back; but you say it is the very opposite in regard to your country?—Yes. Of course, we all know that the rabbit takes a good deal of feed away from stock, and if there is much stock on the land the grass must be poor. But, all the same, the grass has improved. There is a better class of grass.

253. Are you satisfied with the conditions about improvements in your lease?—I think the compensation is too small—the compensation for fencing. We have been led to believe, in taking our leases, that we would get full compensation for our improvements. I do not think that is the case, for too little allowance is made for the fences one leaves on the land.

254. *The Chairman.*] Speaking about the improvement of the grasses on your particular run, you also stated that you were rather understocked?—Yes.

255. I suppose the improvement in the grass is largely to do with that?—That has a little to do with it.

256. Is your run fairly subdivided?—Yes.

257. You can rest one portion and graze another?—Yes.

258. Have you any bad weeds on your place: we have heard a good deal about ragwort and Californian thistle?—I have not anything to complain of on my own land yet. Ragwort is making its appearance; but my experience of ragwort since I was a boy is that it is not poisonous. I never knew it to be poisonous at Home. As a little boy I have pulled it up in the spring of the year and put it in little heaps to rot. The thistle also is coming.

259. On your run?—Not yet; but I suppose that is because there is not much cultivation on the run. In other places the Californian thistle is very prominent, and I do not think they can get rid of it. I think it has come to stay, and also ragwort. I do not think the owners of the land could reasonably keep it under, and if it is not poisonous I do not think they should be compelled to destroy it. If found to be poisonous, they should, of course, be compelled to destroy it by some means. I look upon the thistle as worse than the ragwort, and it can be managed. I think it could be made fair feed for stock by cutting and stacking it.

260. A sort of ensilage?—Yes.

261. Do you know of any one having tried it?—Not beyond what I have seen in the Old Country. We pull the same thistle out of the oats and put it in tubs for the cattle, putting a little bran and water over it.

262. Where do you come from?—County Derry.

263. *Mr. Matheson.*] Did you call it the corn-thistle at Home?—It is the same.

264. Did you tramp it into the tubs?—No; we just threw it in loosely.

265. For immediate use?—Yes.

266. *The Chairman.*] Is there anything else you would like to say?—I have been in the Tuapeka district for the past forty-four years. I have heard a good deal to-day about refusing men the freehold. I totally differ from that gentleman. I think that the freehold is the only thing that will take a great many men to the back parts of the colony. I approve of the freehold, and the deferred payment is also a good system of land-tenure.

267. Did you obtain your freehold direct or through the deferred-payment system?—Some of it I bought for cash and the remainder through deferred payment. I was one of the first to take up land in Tuapeka. The freeholders and the deferred-payment settlers have been the most successful right through. A great many people would not have come over here forty or fifty years ago but for the freehold.

DUNEDIN, TUESDAY, 28TH MARCH, 1905.

JOHN ROBERTS examined.

1. *The Chairman.*] You are a merchant, runholder, and freeholder, I understand?—Yes. I have been a runholder since 1869. I hold the Gladbrook Run, comprising 35,000 acres, for which I am paying £750 a year. I have been occupying it since 1872, and on that run, including 9,000 acres of freehold and 9,500 acres of High School reserve, we shear twenty thousand sheep. I was lessee of the Patearoa Run, comprising about 65,000 acres, up till last year, when it was taken from me. I held Patearoa Run about twenty-eight years, and latterly I was paying £1,097 12s. 6d. for it. The carrying-capacity of Patearoa was about the same as Gladbrook—twenty thousand sheep and, in addition, four hundred head of cattle. I may say that on the Gladbrook Run we have about six hundred head of cattle in addition to the sheep.

2. We heard a good deal of evidence in the Maniototo Plains in reference to the cutting-up of Patearoa, and it was there stated to us that the run had been cut up and all occupied successfully: do you wish to make any remark in regard to that?—I wish first to remark that it seems to me a very unfair thing to think that land which is fit for a large holding at a certain rent should be let at a smaller rent in smaller holdings. I am told that the rents the Government are now receiving total £997 5s. 9d., whereas the rent formerly paid by me was £1,097 12s. 6d., and I was prepared to give an increased rent for a renewal of the lease.

3. What is the general character of Patearoa?—It ranges in altitude from 1,100 ft. at the lowest to 4,750 ft. at the highest above sea-level.

4. In the run as you had it was there a fair proportion of low and high country to work the summer and winter pastures?—During my occupation a good deal had been taken off the river frontage, which materially affected the run, and of late years we had barely sufficient to keep our flock going. As regards your statement that you heard the settlement had been successful, it remains to be seen whether the tenants can pay their rents in view of what is due very soon—

a slump in both wool and sheep. I may say that the Minister of Lands, when talking about cutting up the run, was anxious to take off the low country, and he asked me to continue with the high. I informed him that without the low country the run was perfectly unworkable, and I declined to take it. I said I would either take the whole or none.

5. Has the run been so cut up now that sufficient low and high country has been kept together to make workable runs?—No; that is not possible.

6. Then, these people cannot work the country successfully unless they have low ground somewhere else?—There are four ordinary pastoral subdivisions, taking up about 35,000 acres, which run about seven miles long by an average width of one and a half to two miles. It is high country running down to the river, and the amount of winter country in these blocks is necessarily very small.

7. So, it might be found in a very short time not very profitable to work these runs—of course, there must be a great deal of fencing to go back seven miles?—Yes. I may also inform the Commission that the subdivision of this country caused a great deal of anxiety and trouble to the Lands Department. Not only did the Waste Lands Board visit the run, but Mr. Marchant was sent down from Wellington, and it was only after the greatest difficulty that the Government arrived at the conclusion they did.

8. What was done with the balance of the run—you say 35,000 acres were disposed of in pastoral runs?—It was subdivided into small grazing-runs, and a certain portion of Sowburn was cut up into small sections and taken up by the residents there.

9. Did this subdivision, so far as you know, result in the establishment of more homes?—I am told that the small-grazing-run holders are in occupation of their land, but all the settlers were already settled in the district.

10. So that there has been no material increase of what you might call actual settlers?—So far as I know, there are no strangers to the district on any of it.

11. In regard to Gladbrook, we had one or two witnesses before us at Middlemarch who said it was very desirable to secure more country for settlement, and, on inquiry, they could not point to any land belonging to the Crown except a small bit of the Strath Taieri Hundred, which is still apparently available and occupied by you as pastoral country on the face of the Rock and Pillar. They also told us that the Government had been negotiating with you for the purchase of a portion of your freehold, but that nothing resulted, because a difficulty arose in regard to the question of price: is there any remark you wish to make in regard to that?—In reference to the hundreds, I may explain that you yourself made a reference to that, at the meeting at Middlemarch, to the effect that you doubted whether the Waste Lands Board had any right to dispose of the unsold hundred. I also take the same view, that they have no power. But they have, in spite of that, re-leased it to me and charged me 4d. per acre for the unsold portion, though I contend they have no legal right to do so.

12. I was making inquiry at the Lands Office this morning, and, in the absence of the Commissioner, all I could ascertain was that, so far as the officers here knew, the law is still the same; but it was remarked that the hundreds have practically ceased to exist, and, as this was a little odd portion, the Land Board assumed the right—it was merely an assumption—to make some use of the land, and they issued a license under what is called “miscellaneous licenses” for that purpose?—I may say that, outside the purchased land, none of the hundred is less than 1,600 ft. above sea-level, and it goes up to 3,000 ft. I agreed to take it from the Waste Lands Board under protest. I question very much whether I have any legal right to deal with it, and I think if I did any impounding on that land I would be liable for damages.

13. Of course, so long as there is any land left unsold in the hundred it was available for pasturage only by those who had purchased land in the hundred: that was the law in the matter?—Yes, and so it was up to two years ago. In reference to the evidence at Middlemarch as to the value of land there, although I did not deal with the Government, there were small settlers there who wanted to increase their holdings, and I have been selling in 50- and 100-acre blocks to them at what I believe to be a perfectly fair value. One witness said I was selling land at £14 an acre for which he thought £9 per acre enough. Well, as an evidence of the cheapness and fairness of the value put on the land, I have produced this sample of wheat this morning for the information of the Commission. It is a sample of wheat that has been grown on the other side of the fence to the land I am selling. The land is of equal quality. That wheat yielded 60½ bushels of “firsts” and 4½ bushels of “seconds.” It has been sold and delivered at 3s. 3d. per bushel at the Middlemarch Railway-station, and, taking the “seconds,” 2s. 9d. If you run that out I think you will find it comes to £10 8s. 2d. per acre. Well, if a man wants land for £9 per acre that is capable of growing crops like that I think he wants to rob the man who owns it. This particular block of land I am offering now, and some of which I have sold at £14 per acre, is land that has been down in English grasses for twenty-six years, and it was put down in English grasses after three crops of turnips had been taken off it. No white crop has been taken off it, and, so far as the fertility of that land is concerned, I say it is fully better than the land on which this wheat has been grown.

14. Was the land the Government treated for similar land to this?—It was a portion of it.

15. Are there any other remarks you would like to make?—I wish to make some remarks in reference generally to the position of runholders in the colony. I think it would be a very great hardship and a very great wrong to ask the men who have been from thirty to forty years occupying that country profitably and well to step aside as soon as the land is wanted for anybody else. I urge the fairness and propriety and righteousness, in the event of any change being made, to make provision by which the runholder would be entitled to retain a fair portion of his holding. There are men in the country, as you know, who have no other land to divide amongst their sons and daughters, and surely they have a right to be considered when the properties they are now occupying are being dealt with. I have also to suggest that any new provision in regard to term of holding ought to contain a lengthened lease up to twenty-one years, with renewal, by auction or

in any other way at that time, and with revaluation, and also valuation for improvements. I think the present limitation of the value of improvements is quite inadequate. I think the improvements ought to be unlimited so long as the improvements are in keeping with the requirements of the run. In regard to buildings, I say they ought to be reasonable buildings for the holdings, and not absurd buildings. I think the runholder should be allowed fencing to any extent, and ditching to any extent, and plantations to any extent.

16. I presume you think it will be reasonable before engaging in a considerable outlay for improvements that the runholder ought to consult the Land Board as the landlord?—I do not think so. A man will not willingly put down improvements that he thinks will not be reproductive.

17. Might they not put down improvements to an undue extent with a view of preventing anybody else taking up the country?—Not so far as ditching and fencing are concerned; and I say that the building should be in keeping with the holding. I would not object to the question of buildings being first submitted to the Land Board, but so far as ditching and fencing are concerned, I think the runholder should be at liberty to improve in that way to any extent.

18. Do you not think that the Land Board should be privy to the various improvements as they are put on the ground, so that they may keep some sort of a check on the value: of course, open ditching would always be seen, but suppose somebody went in for a little draining, would it not be necessary to mention the kind of tiles and all about it, so that a record might be kept for reference when the valuation was being assessed?—I do not think that would matter very much. I think the Waste Lands Board are very reasonable people, and that they would sanction anything in reason. So far as grass-seed sowing was concerned, I do not think the benefit to be derived from it would encourage it to be carried on to any extent. I have tried surface-sowing on my freehold but not on my leasehold. It cost a very considerable sum, and a sum outside any probable benefit to be derived.

19. Is there anything you could suggest outside your own interests with regard to the future disposal of this great pastoral country now in the hands of the Crown? We have in Otago, Southland, and Canterbury 9,000,000 acres of this country, and, of course, the future disposition of this property is a very serious thing—as a matter of fact, a great deal of the low country has been taken away, and a great deal of the high country has been left without sufficient low country to take advantage of the summer pastures?—I think a great deal of harm has been done to the high country by cutting off the low country.

20. But that has been done?—It is still being done.

21. Suppose this was your own estate, what do you think you would have to do to make the most of it?—I think it is possible for the Government to repurchase some of the low ground at a price that would pay them well enough to take the low country to work with the high. I think that is the case with the Rocklands Run. It was offered the other day and there was no bid for it, and I am told that the holding adjoining it could be bought at a fair price and the rents loaded with the interest, which would enable the high country to be worked with it at a profit.

22. We have had a good deal of evidence about the deterioration of the pastoral country: what is your observation on that point?—I think the country has deteriorated in nine cases out of ten.

23. What would you say it is due to?—I think the rabbits mostly, and in some cases bad seasons.

24. Do you think anything could be done to restore some of the ancient fertility?—It is a difficult problem. I do not know how it is to be done. To get quit of the rabbits would no doubt be the first step, but they are not so easily handled.

25. Do you think resting the country would have any effect?—It would, providing you could keep the rabbits off. I do not know if the Commission saw the Barewood Run, but that has been half stocked for the last two years, and it has recovered a good deal. But half-stocking means a considerable loss to the tenant.

26. Still, if it is going to bring back the fertility of the land it might be made part of a future law that the country should be subdivided and rested periodically, both for the good of the tenant and for the good of the country as well?—It will be very difficult to carry out that system.

27. In regard to the constitution of Land Boards, do you think the present nomination system is the best that could be devised?—So far as I know, it has given perfect satisfaction. I do not know of any case where a hardship has been inflicted by the Board. I think they have administered matters with a perfectly even hand.

28. *Mr. McCardle.*] You have had a very long and wide experience in connection with the land of the colony?—Yes.

29. Can you say to what extent there is an unearned increment throughout the back country of New Zealand?—The unearned increment is a very difficult thing to assess.

30. You know there is an impression in the cities that there is a very large amount of unearned increment attached to country lands, while the settlers contend there is very little?—I think the settlers' contention is perfectly correct. In the city a man can buy a section and leave it, and it costs him nothing beyond the purchase price to secure the unearned increment.

31. Then, in your opinion, the unearned increment is in the cities and the large centres, and not in the country blocks?—That is so. I may say that it takes a long time sometimes before improvements give any return. The improved land of Gladbrook I referred to was originally all swamp, and not only did it cost a great deal to drain and cultivate it, but, as anybody who has had any dealings with swamps knows, it is a matter of time as well. I have had swamps that have not been fit to cultivate until after fifteen years' work.

32. Have you had any experience of bush lands?—Yes.

33. And in bush districts where a large number of settlers take up back country, is not any unearned increment, in the absence of roads and railways, due to their individual and collective efforts which have raised the value of the land above its actual cost?—I believe it is so.



34. *Mr. Hall.*] Are you aware of any pastoral runs that could with advantage to the State be cut up into small grazing-runs?—I have answered that to a large extent already, because I say the low country has been taken from most of the runs already.

35. You do not think, as a rule, that subdivision would be advantageous?—I do not think subdivision is in many cases practicable.

36. Because it entails so much fencing?—Yes, particularly on these high back runs, and because the want of low country to work with the high is, to my mind, fatal.

37. I think you have said already that the runs generally are not improving in sheep-carrying capacity?—I do not think they have deteriorated in the last ten years, but they distinctly deteriorated after the rabbits came.

38. Do you think surface-sowing would be done under improved conditions of lease?—In very few cases, but in Central Otago I am afraid it would mean an outlay that would be quite unrepresented by any return.

39. What length of tenure do you think should be given to these pastoral runs in the future?—I think twenty-one years at least. If a person wishes to occupy land profitably he cannot do so under a short lease, because a short lease does not conduce to profitable occupation.

40. As a general rule, have these runs sufficient low land?—In most cases they have not.

41. Do you know of any case they have more than is necessary?—I know of no excess, but I know most of them have a distinct shortage.

42. I understood you to say that the pioneers and early settlers are entitled to every consideration, seeing the benefits the State gets from their work of opening the country and promoting settlement?—I am strongly of that opinion. Surely they have some right to have some little attention paid to their interests. I think the unearned increment comes to very little in this colony.

43. You think the early settlers are entitled to a fair share of the benefits of what have accrued to the State by their taking up the land in its rough state?—I am sure they are. I think I will go back to the case of Mr. Shennan, who has been settled on Puketoi so many years, and who I am sure is paying a rent for that run which would not be paid to the State if it was cut up into smaller holdings. Mr. Shennan has greatly improved that run, and he has a flock of sheep on it that is a credit to himself and a credit to the country. I think if that flock was dispersed it would be a serious loss to the colony, and I think it would be dispersed if the run was subdivided, because the tendency is, immediately country is cut up into smaller holdings, for the quality of the sheep to deteriorate.

44. Are noxious weeds spreading over the runs?—Not to any great extent. There are a few patches of Canadian thistle, but that is all I know of. Some of the south country is very bad with ragwort.

45. Of course, it is chiefly merino sheep that are kept on these high runs?—They are going in more for halfbreds, which are found quite as hardy and more profitable. There are not a great many merino flocks pure and simple. The corriedale is being introduced, and many of them are quite as hardy as merinos, and they secure good quality of the mutton.

46. *Mr. Austey.*] Was the Patearoa Run Crown land?—Yes, with the exception of 350 acres of freehold, which, together with the buildings, I sold for £1,000 to one of the settlers.

47. Did the Government repurchase that when they cut it up?—No.

48. In the four pastoral runs that have been cut up, do you say there is not sufficient low country to work with the high country?—I do not think there is. On these four runs we used only to winter five thousand sheep.

49. Judging from your remarks, I may take it you think it would be wise for the Government to purchase some low country to work along with the high country?—In some cases it would.

50. I presume that generally you would say this subdivision of the runs has already gone beyond an economic standpoint?—I have already stated that Patearoa was crippled by the loss of the low country for some years. We were not able to winter our ewes and hoggets sufficiently well.

51. Applying your remarks generally to the Otago Central runs, do you think they have been divided into too small areas?—In a great many cases they are.

52. You spoke just now about the grassing on the leasehold runs not having been particularly successful: can you suggest any way that would encourage the grassing of these runs?—The only way you have a reasonable chance of improving the grass is by spelling the country.

53. Suppose they were given a better tenure and guaranteed a renewal of the lease, would the leaseholders then regrass down the runs?—In some cases they might, but in many cases in the dry country in the interior I am quite sure the sowing of grass would not be a success.

54. Generally speaking, in regard to the Crown lands of the colony, would you advocate the State disposing of them on the freehold system or under some form of leasehold?—If you want my opinion on land-tenure I may state, as a general rule, I am in favour of the option of the freehold.

55. Does that remark apply to the lands acquired under the Land for Settlements Act also?—I think not. I think there is no sense in the Government resuming a freehold simply to transfer it from one man to another.

56. You think it would be wise to continue the leasehold system in regard to these improved estates?—Yes, for all land purchased for settlement.

57. But in regard to Crown lands generally you favour the freehold?—Yes.

58. Would you apply that remark also to the grazing-runs and high pastoral country?—I do not think there would be any harm in selling the purely pastoral country.

59. Are rabbits more easily kept in check on small holdings or large ones?—The evidence, I think, is generally in the direction of showing that the large holders keep the rabbits down better than the small holders.

60. In regard to the losses through snow, we had evidence that in some cases these losses were greatly minimised by making provision for the storms: do you think provision could be made for

minimising such losses more effectually on small runs than on large ones?—I think the losses were just as heavy on the small holdings as on the large ones.

61. We were told that the Morven Hills Run lost considerably more than half of the flock, and it appears to me that on a run some 350,000 acres in extent it is almost impossible for a man to go over every mile of it at such a time?—So it is, and it has been demonstrated that if sheep have been standing two or three days surrounded by snow there will be less mortality if you leave them stand there than if you endeavour to shift them.

62. But, on a small run, would there be any great difficulty in carting feed to them?—The carting of feed has a curious effect on them. On the Strath Taieri we had snow for some two or three weeks, and we carted hay and straw to the Leicester stud sheep, and we found that the change from the succulent green food to the dry had a very disastrous effect. In the case of heavy snows, I think a man will suffer less loss by leaving the sheep entirely alone than by making any effort to save them.

63. Do you know if the Morven Hills Run is suitable for cutting into smaller areas?—They have a very large area of high country, and if the low land is taken I do not know what possible use the high country could be put to.

64. Could it be divided into four or five runs?—It is a long straggling country, with the valley of the Lindus running through it, and that is all high country. It would be a very difficult matter to cut it up.

65. *Mr. Johnston.* Do you know if Patearoa is carrying as many sheep now as it did in one block?—I am told it is only half-stocked now, but that is on account of the high price of stock. The settlers are unable to secure them.

66. How long is it since the flat was taken out of that station?—A considerable number of years ago.

67. Was it taken for settlement or for mining?—For settlement.

68. Has the settlement been a success?—I cannot tell you.

69. You say that no outsiders took up any part of Patearoa?—I have the names of the men, and they were all local people.

70. What is your average yield of wheat at Gladbrook?—About 45 bushels.

71. Is that off new land?—No; land that has been cultivated before. In a dry season we never got less than 35 bushels.

72. Has cocksfoot been sowed on Gladbrook?—Yes, and ryegrass; but all has been done on tussock freehold. It improves the country much, but the cost is very considerable.

73. Have you tried it on the leasehold?—No, because you get no valuation for it.

74. Do you think if some value or consideration was given it would be done?—I would try a good deal of it.

75. Would it be successful?—I think so, by not sowing on dry ridges and confining it to valleys, from which it would spread.

76. Is the high country generally in Central Otago carrying as many sheep now as it did, say, twenty years ago?—I do not think it is on the flat, and that is owing to the rabbits and to the grass going out.

77. Is the country less productive generally?—Yes. The rents are much about the same as they have been. There has been no material alteration in my rent for the last twenty years.

78. You say you favour giving the freehold of these large runs?—If you can get people to buy them, that is the best solution of the difficulty.

79. Without any restrictions on account of mining?—That would not apply to the high country. I do not know of any high country occupied for mining. I think it is advisable to preserve the mining industry, because the miners are good settlers and they mind their own business, and do not trouble other people.

80. A considerable amount of Central Otago has been cut up: do you think it has increased population?—I think it has increased population. It has allowed settlers to retain their sons and daughters near them.

81. Would you say it has been to some extent successful?—No doubt the low country there has been more profitably occupied and better settled than it was before.

82. We have had evidence that screenings from seed-cleaning machines have been sown on the high country in Otago: have you ever heard of it?—I have not done it, and I am not aware that I ever heard of it.

83. Do you think it would be detrimental to the interests of the country to have the screenings of these machines fed to the stock in boxes?—Exceedingly so. I think it would be a very foolish thing to do.

84. You say that in the interests of the country Puketoi should not be cut up: we have had very conflicting evidence in regard to that run, but you think that in the interests of the country, and having regard to the flock that Mr. Shennan has there, it would be a great mistake to cut the run up?—I do not say it would be a great mistake to cut any portion of it up, but I say why should Mr. Shennan, who is a very old settler, be dispossessed for the sake of another man.

85. Unless it is an advantage to the country?—I suppose the advantage to the country is in the number of people employed on the property. I imagine Mr. Shennan is employing as many men now as if the run was cut up into four holdings.

86. You think the runs generally are employing as much labour now as they would if cut up?—In the case of Puketoi I should say that is so.

87. Would you be in favour of giving the right of purchase to the lessees of the School Commissioners' reserves?—I should say that any provision made by the Government for selling their own land should apply to the School Commissioners' land just as well. The High School Board have already sold a good deal of land on the Strath Taieri Plain.

88. Is Canadian thistle bad generally?—Very bad in the river-beds, but it does not extend to any distance from them. Some of the settlers near Middlemarch are making very useful ensilage out of the thistle for winter feed for stock.

89. Does not that spread it over the land?—No, the ensilage destroys everything. There is no germination after ensilage.

90. Is the thistle bad on the high country?—No.

91. *Mr. Forbes.*] Do you not think that the School Commissioners are a duplication of the Land Board, and that their land could be administered by the Land Board?—I can only speak of my own experience. I think the High School Board administer their land very well.

92. The School Commissioners administer a large quantity of land lying alongside Crown lands, and practically the revenue goes to the Crown also: would it not be better to bring all the land under one Board?—Is there any reason to assume that the School Commissioners are not as capable men as the Waste Lands Board. I have not had much experience of the School Commissioners' administration, but I never heard any dissatisfaction expressed in regard to them.

93. We found there was great dissatisfaction with the School Commissioners, and that the tenants considered they would be much better under the Land Board: do you not think it would be an advantage to the country if the whole of the lands were brought under one Board?—I suppose the settlers have found that the Commissioners are not as squeezable as the Waste Lands Board.

94. *Mr. Matheson.*] As a general principle, does it not seem an extravagant way to manage our lands that two bodies should administer Crown lands within the same area—I mean apart altogether from the personality of the two Boards?—It might to a certain extent, but still it is an advantage is so far as the School Commissioners have control of their own lands. If they were placed under the Land Board the revenue might disappear altogether.

95. But have the School Commissioners any control of their revenue now, and, as they have not, is it wise to have dual management?—I do not think it works to any disadvantage.

96. Do you think the State would encourage good settlement by giving the right of purchase to tenants?—I think the best settlement is freehold.

97. I asked that because you said you did not approve of parting with the freehold of lands under the Land for Settlements Act—that Act was to encourage settlement—and what is the objection to giving the freehold to them if it encourages good settlement?—It does not seem to me to be right to take the freehold from one man to give it to another.

98. Not if it encourages a more intense cultivation of the land?—It does not necessarily follow it would do that.

99. Then, you would retain these lands once the State has acquired them?—Yes.

100. Have you watched the operation in Ireland of the New Land for Settlements Act?—I have not.

101. Under which they are resuming land?—I believe they are doing that.

102. *Mr. Paul.*] Where it is a question of freehold transfer you prefer that should be done privately, and you do not see the necessity of the Government taking the freehold from one man to give it to another?—I am inclined to think that land-settlement would be very much better if it were left to the private holders to sell. I do not know if the attention of the Commission has been drawn to a very fine settlement near Otautau. Four properties there—Bayswater, Ringway, Gladfield, and Waikola, aggregating, I should think, not less than 45,000 to 50,000 acres, has been sold by the private owners, and, I venture to say, the Government cannot show a finer settlement than is to be found there. The land was sold at reasonable values, and all the settlers have done well.

103. Do you not think that the action of the Government has practically compelled these large landowners to take that step?—It had nothing to do with the settlement I speak of. It was done purely because they found they could sell properties they were not making interest out of.

104. Then, you do not approve of the land-for-settlements policy?—I can only judge by my own feelings. I say that when land is worth more to others than it is to myself they can have it.

105. You are quite decided in your opinion that Puketoi should be conserved to Mr. Shennan in the interests of the State?—I see no reason why the run should not be left to Mr. Shennan. He is a man with a family, and why should they not have the right to that land. I do not think the Government would benefit settlement one bit by cutting the run up, and they would do an injustice to him. I may say that the last time Puketoi was leased the late Sir John McKenzie said to me, "Shennan has been a good settler and a man whom the country has a right to be proud of, and I am going to do him justice."

106. You are intimately acquainted with Blackstone Hill, Lauder, and Home Hills?—Yes. I owned Lauder many years ago.

107. Do you think these three runs taken together could be subdivided?—I do not think so. Blackstone Hill is the low country, and without the low country I do not know what you could do with the high country in the other runs. If you took Blackstone Hill away it would make the other high lands unworkable, and the present owners would have to relinquish the other runs.

108. You think that instead of more low country being taken from these runs it should be purchased and added to the runs?—In some cases I think it would be advantageous.

109. You said there was a great difficulty in connection with grassing these runs?—Yes, and I think the cost will probably be out of proportion to the benefit the leaseholder would derive.

110. In the event of the Government allowing valuation for grass-seeding, do you see any difficulty in estimating the value?—No. It is only a matter of tenants submitting invoices of the cost of the grass-seed and the cost of sowing it.

111. And simply take off the value according to the time that has elapsed since the grass-seed was sown?—There may be much better pasture after the lapse of, say, ten years than after the first two or three years.

112. Could that be applied universally?—Yes, especially in the case of fescues, that spread from the roots.

113. You are in favour of the remaining Crown lands being made freehold as soon as possible?—If you can get people to buy it I do not see why it should not be sold.

114. Would you extend that to reserves and endowments?—If you can get a fair capital value I see no reason why it should not. The whole trend of my remarks is that the freehold is the best system of tenure in the interests of settlement.

115. *Mr. Johnston.*] Has the Otago Central Railway increased the value of land in Otago?—I do not know that the increase in value has been anything so much as some people think it has been.

116. Then, that railway-line to some extent was not justified?—If you add the annual cost of the maintenance of the roads before the railway was constructed to the revenue of the railway you will find that it will go a very long way towards a better result. That heavy road expenditure is all saved because there is no heavy traffic on those roads, and they are now all in good order.

117. Have you tried irrigation on Gladbrook?—Yes, in dry seasons.

118. Has it been successful?—Yes, it does fairly well.

119. Would it do well at Puketoi?—Puketoi has no water to irrigate with; all the streams are very small during the summer.

ARTHUR H. HAYCOCK examined.

120. *The Chairman.*] What are you?—I am accountant and general business manager for Murray, Roberts, and Co., in Dunedin, and I have been in the firm for about thirty years.

121. The Commission would be glad to have your opinion in respect to the grassing of runs. We have been told that in some cases the refuse from the seed-machines has been used in surface-sowing: would you kindly tell us what you know on that particular subject?—So far as the grassing of runs is concerned, I have never heard of any of our leaseholds in Otago having been attempted to be grassed. I have heard of the blowings of some of the seed-cleaning machines being sent into the country ostensibly for the purpose of being used for surface-sowing, but never in connection with any of the runs we are interested in. The only case that I know of in the way of trying surface-sowing in connection with the runs we are immediately connected with is that which Mr. Roberts has already mentioned—sowing on the tussock freeholds where we are clearing the scrub, the ground being loose and the scrub being burnt, leaving the ashes and making a good soil on which to sow the seed. But we sowed good seed, and with fairly good results, but at a cost, as already said, that would be entirely out of the way in attempting to apply it to leaseholds.

122. *Mr. Anstey.*] You said you have not attempted to grass the leaseholds?—No.

123. Why?—Because the cost is too great.

124. Would you consider it too costly if you had a better tenure?—No, if there was a tenure which would give the leaseholder a chance of getting the benefit of it and getting the cost and the result included in the improvements—in that case it might be worth while doing it.

125. You would then attempt to grass some of the leaseholds?—Yes; it would certainly be done, I think.

126. Would that largely increase the carrying-capacity of the leaseholds?—Yes.

127. What would you require in the form of security of tenure?—There would have to be liberal terms both as regards indefeasible tenure and as to valuation for improvements and the cost of them, because the surface-sowing of grass takes some years before you get the full benefit of it.

128. Do you think it would be wise for the Government to do anything in the way of supplying grass-seed cheaply or free of cost?—No. If the Government undertook it I suppose you mean that it would be practically the Government undertaking all the main cost, with the exception of the labour. I do not think it would attain the desired result.

129. Do you think they can do anything in the direction of helping in that matter?—I think it is simply a question of making it to the interest of the runholder to do it; and in order that he might do that he would have to have the runs on a fixity of tenure which would pretty well insure him the result of his work.

130. You think that would be safer for the Government, at all events?—Yes.

131. Does your firm finance farmers, independent of the land which you hold yourself?—Yes.

132. With regard to making advances to tenants under the lease in perpetuity, have you any difficulty in making advances on the point of doubtfulness of security?—Of course, you cannot make an advance upon the value of improvements, which in the case of the failure of the person who gets the advance you cannot hold as a security yourself.

133. We are told that it is not competent for you to foreclose on a lease-in-perpetuity settler—that it is no use to you as a security?—That is so.

134. You have to get the consent of the Minister of Lands in order to get the right of foreclosure?—Yes.

135. *Mr. Johnston.*] Do you know of any of your clients who have sown grass in the high country?—No; I have never heard of their doing so.

136. Could you tell us where we could get reliable information with respect to grassing the high country?—I have never heard of it being done in Otago.

137. *Mr. McCutchan.*] With reference to the payment for improvements on the cost on these pastoral runs, do you not think it would be feasible to have the improvements estimated at the end of any lease—for grassing and other improvements?—I suppose it would, the same as in the case of fencing.

138. You advocate these pastoral leases being put up to auction?—Yes; I think so, provided it is known that the result will be a fixed thing, and not, as has been the case in some instances, where a man simply overbought another and managed to get a reduction of his rent later on.

139. Do you not think it would be better for the authorities to fix an equitable rent and decide the matter by ballot?—There is always this to be said: in the case of a pastoral run there is always some man to whom it is more valuable than to others.

140. Those men would have to take the chance under the ballot?—Yes.

141. Are you at liberty to say whether your firm has made advances to settlers who have been refused by the Advances to Settlers Department?—I am not aware of it.

142. *Mr. Matheson.*] As a shareholder in the public estate, do you think it right that the State should grant the right of purchase, or do you think it would be wiser for the State to retain all titles to land?—My opinion is that the granting of the freehold is a much greater incentive to a man to make the best of his property than to give him any other tenure.

143. Therefore you say it is a sound colonial policy to pursue?—I think so.

144. *Mr. Paul.*] Is it not a fact that the leasehold somewhat restricts the operations of financial institutions?—Yes.

145. Therefore, from a commercial point of view, you favour the freehold?—The freehold is a more valuable security to deal with than any leasehold.

146. It costs considerably more in the first instance to get the freehold?—Exactly.

147. *Mr. Forbes.*] Do you not think that a man with a lease in perpetuity has a far better bargain than if he had the freehold? He gets his land at 5 per cent. on capital value, and if he were to borrow money to pay for the freehold he would very likely have to pay 6 per cent?—Yes, he might. At the same time, you cannot get rid of that sentiment in human nature in favour of the freehold—a piece of land that a man regards as his own and that he can deal with as he pleases. I dare say that, financially, there may be cases where a man holding a lease in perpetuity at 5 per cent. would be just as well off as a man with a freehold.

148. The leaseholder does not pay land-tax, whereas the freeholder does. Do you not think it is largely a matter of sentiment, the desire to convert the lease in perpetuity into freehold?—From a business point of view, the leaseholder cannot raise money on his section in the same way as if it were freehold.

149. *Mr. McCardle.*] Would it be fair to ask you on what terms freehold estates generally are let out with the right of purchase—that is, by the individual owner?—They vary so much that it is hardly possible to state the general terms. I know of one case where there is simply a 5-per cent. deposit, and 5 per cent. is accepted each year.

150. Some people are of opinion that the freehold is merely a matter of sentiment: do you not think that there are other reasons why settlers are very anxious to obtain the freehold?—Yes, as a matter of security for financing. In the case of a leasehold the position for them is not nearly so satisfactory as in the case of a freehold.

151. *Mr. Hall.*] Under the Land for Settlements Act would you approve of the option of purchasing being given to tenants?—I think the same arguments apply in that case as in the others.

152. Would you approve of changing the existing tenure, or do you think the change should only be made in the case of future tenures?—I think it should be made in respect to present tenures, leaving it optional to the men holding the leases to say whether they desire to avail themselves of the new arrangements.

153. You think the present leases should be adhered to?—I think you will find that it would meet with general approval if it were made optional for these men to obtain the right of purchasing the freehold.

154. I suppose one of the reasons you would advance would be this: that it would be easier to dispose of the freehold?—Exactly.

155. Is it in the interests of the State to give facilities for selling the land after they have purchased it?—I see no reason why land should be dealt with differently from any other properties.

156. Are these estates not purchased with the view of promoting settlement?—Yes.

157. If granting the freehold would tend to create an aggregation of estates would it not defeat the object of the State to grant the freehold?—I think there should be certain limits as to area provided. I admit there may be cases where the aggregation of estates may be injurious to the body politic, but the cutting-up and holding in small estates only would in the case of certain classes of country have distinct disadvantages, it being entirely a question as to the full and proper use being made of the country held.

158. As regards facilities for borrowing on these leaseholds, you think that is another difficulty in the way of the tenants?—Yes; they have not got the security the freeholder has.

159. If they have had to mortgage the property in order to get the freehold they would have an equal difficulty in getting a further loan?—A man cannot get a freehold and mortgage the whole value of the land. He must have money in the land itself.

160. Is it desirable to give too great facilities for borrowing money?—No; but in the case of a capable man he may use borrowed money to great advantage.

161. *Mr. Paul.*] Does your firm advance money on leaseholds?—We have never taken leaseholds as anything but what might be termed collateral security, and in such cases it is desirable to advance simply on the stock.

ALFRED RICHARD BARCLAY examined.

162. *The Chairman.*] What are you?—I am a solicitor, and have been in Dunedin for about thirty years.

163. Is there any particular question to which you would like to draw the attention of the Commission?—Yes. What I have to say in connection with this matter will be rather from the business point of view than that of practical experience in the working of land. My experience lies in this direction: I know something of land transactions, of their values, and what they have changed hands at, and also with respect to the business part of dealing with land. I have been in the profession of the law for about twenty-five years, and I have seen a great many transactions,

and I know something of prices at which property has changed hands. I know in particular something about the rise in the value of freeholds in the city. I may say I have been a member of Parliament for the City of Dunedin, and I have given a great deal of attention to the land question in this colony for a great many years. I have formed an opinion very strongly against the State granting the freehold, and I desire, if the Commission will allow me, to give one or two illustrations of how the granting of the freehold has worked in the City of Dunedin. I have here a plan showing the City of Dunedin, and it shows the Corporation, Harbour Board, and Presbyterian Church reserves. Let me point out Section 39 of Block IX., known as Wise's Corner, at the corner of Rattray Street and Princes Street. That section was originally obtained by the Crown grantee under the New Zealand Company's Land Claimants Ordinance. That would probably be at the ordinary rate then for Crown sections—namely, £12 10s. per section. That section was granted on the 14th November, 1864, at the probable price of £12 10s. Twenty-one years afterwards, on the 14th February, 1885, it was sold for £35,500. It may be said that the buildings on it must have been of great value, but that is not so, because directly the place was bought most of the buildings, such as they were, were demolished, and the present Government Life Insurance Buildings were built upon the section. So that the State in that case had to pay £35,500 for a bit of land which it had sold twenty-one years previously for £12 10s., the value of the buildings not being great. There is a building on that section which was not destroyed. That building used to be known as Court's Hotel, but was not worth more than from £2,000 to £3,000. That was an instance of the result of private ownership. Now let me draw the attention of the Commission to Section 65, Block IX., the section on which the Grand Hotel stands. That section was bought for £59 10s. It was Crown-granted on the 11th November, 1854. On the 11th February, 1880, it was let for twenty-one years. The rent for the first two years was to be £1,703 for each of the two years, and the rent for the remaining nineteen years was to be £1,965 per year, and the tenant was to pay all the rates and taxes. It may be said in that case that the buildings were of great value. That is not so. They were of very little value—old wooden buildings. There was a covenant in the lease providing that the tenant should spend £7,000 in buildings within two years from the date of the lease. The buildings were almost immediately pulled down, and £7,000 and a good deal more than that sum was actually spent in buildings on the land. The area of the land is only some 38 perches. So that from 1854 to 1880 the land has risen from £59 10s. to a capital value of something like £40,000. These facts go far to explain that sentiment which is said to be inherent in every man's mind to secure the freehold, and of which we hear so much at times. These are both private properties. I will contrast with those cases a section directly opposite the Grand Hotel, on which the Colonial Mutual Company's Buildings stand. That is a section vested in the Corporation, and to-day the rent is only £300 a year, and the company does very well out of it, and is quite satisfied. Take, again, another Corporation reserve, where Inglis's shop stands. The total annual rent that A. and T. Inglis pay is £169 7s. 1d. That is, comparatively speaking, a very fair and moderate rent, and it is quite right it should be so. Then, take the Red Lion Hotel. That land was originally granted under the New Zealand Company's Land Claimants Ordinance, and an area of only 20 perches of that section was let on the 1st March, 1879, for £200 per annum and rates and taxes, and the tenant was to spend £1,500 on buildings within fifteen months. A year or so afterwards the rent was reduced to £176, but the tenant got no valuation for the £1,500 that he had put into the buildings, and there was no right of renewal. I also might say this: that, in my opinion, judging from a study of the statistics on the subject, that it is exceedingly bad business for the State to sell the freehold. I know it is said that if the freehold be parted with it does not matter, because the right of taxation is still left. I desire to point out this: that in every case wherever there is a question of the land-tax being raised every landowner in the country very naturally combines with his fellows to resist it. The consequence is that it is only with the utmost difficulty that it is possible to get any increase whatever in the land-tax. The position is quite different when the State deals with each individual owner in regard to his rent. That an unfair amount is paid by land by way of taxation is shown by the fact that the unimproved value of land for 1904 was £112,629,000. Out of all that land the total revenue collected by the Crown was £335,000, and that includes £102,000 of graduated land-tax. Of course, that does not include income-tax. I admit the land pays rates, but a point about the rates is this: that every 6d. of rates that is collected is merely an investment for the benefit of the land, and is spent for the purpose of improving the land. There is also this: it is a fact that the unimproved value of land is increasing far faster than the value of the improvements put on it. The increase in the unimproved value from 1891 to 1904 was £36,841,517. The total increase in the value of improvements was only £23,801,532. Moreover, the aggregation of large estates is going on and increasing, because the value of large estates of 50,000 acres and over rose between 1903 and 1904 from £9,872,000 to £10,153,000. I desire also to say this: as far as this city is concerned, there are a number of reserves in the hands of the Corporation and the Harbour Board, and there are some Presbyterian Church reserves. These reserves are generally let, and here is a specimen of one of the Corporation leases. It contains a covenant to pay rent for twenty-one years. There is a right of valuation of improvements, a right of renewal of lease, and a right to obtain payment from any incoming tenant for improvements on that valuation. That system seems to work exceedingly well. I know of no objection to it on the part of the tenants. The tenants seem to be satisfied. It has been sometimes said that if a man does not get a freehold he will not put such good buildings on the land. As far as the leaseholds in this city are concerned, some of the finest buildings here are built upon leasehold land. For instance, the Colonial Mutual Building is one of the finest in the city, and it is on a Corporation leasehold. Then, with respect to leasehold land in the country. In every way these leases are drawn in the most careful manner, with very strict clauses as to cropping and the management of the land, and the landlord as a general rule takes very good care that the leaseholder farms the place properly. I may also point out that the aggregation of land into fewer hands is

going on in this city, and I can point out a block—that block bounded by Moray Place, Princes Street, and Stewart Street—which piece by piece is gradually passing into the hands of one owner. There is one other point I would like to mention. It is said that there is a difficulty in financing in the case of leaseholds. That is quite true, but the reason is very plain. All trust moneys are forbidden by law to be invested in leasehold land. There may be reasons advanced for that, but, in my opinion, there are not sufficient to show that it should be so forbidden. Section 14 of “The Trustees Act, 1891,” prescribes the various forms of investment in which trustees may invest trust money, and leasehold land is left out of the list. It is the same under “The Settled Land Act, 1886.” The proceeds of land sold under that Act cannot be invested except in the way prescribed by section 7, and that excludes investment in leaseholds. The Government Life Insurance will not lend money on leaseholds generally, though there is a special clause giving them power to lend on Crown leaseholds. The Dunedin Savings-bank is prohibited from lending any money on leaseholds, and so it goes on—an enormous quantity of money being unavailable for leasehold securities. There is no reason, it appears to me, why a leasehold should not be as good as any other security, provided you do not lend too much money on it. The result of these provisions of the law is very simple. It narrows enormously the supply of money for the purpose of lending on leaseholds, and for that reason an extra  $\frac{1}{2}$  or an extra 1 per cent. interest is demanded. I cannot see, from a purely business point of view, why that restriction should be made.

164. *Mr. McCardle.*] Is it not a fact that the great increase in the value of property is produced by the workers and the creators of wealth throughout the colony?—No doubt it is.

165. And we must take the settlers in the country as a portion of the workers and the creators of the wealth of the community—I refer to the small settlers of the colony, the most poorly paid class in the colony—that wealth has been created by those men?—I quite agree that those settlers are the backbone of the colony, and that they produce from the land a very large quantity, if not the greater part, of the wealth of the colony.

166. You have shown that there has been a great unearned increment in the wealth of the cities?—Yes, and there is also in the wealth of the country considerable unearned increment.

167. That is a very difficult thing to get at in the case of the country. In the case of unimproved land taken up in the back country and improved by the settler, it is practically impossible to ascertain what his improvements have cost and the labour he has put into the land?—The men who toil in the back blocks deserve every consideration from the State. I should give them every possible concession.

168. Are you of opinion that there is an aggregation of estates going on? It has been suggested that the Land Transfer Act might be amended, limiting the area or the value of the land that may be taken up?—I think a value test would be a fair test.

169. Would you be in favour of restricting the freehold?—I do not think the freehold should exist at all. If it must exist it should be limited.

170. Have any workmen’s homes settlements been established in the vicinity of Dunedin?—No.

171. There are such homes in other centres of the colony: would it not be a good thing to try and introduce that here?—I think so, decidedly.

172. Do you not think it could be extended to granting working-men leases with buildings on them, and the State run no risk, seeing that there are such great numbers to take advantage of it, and that if one man failed another would take his place?—I think so. The system is in force in England—West Ham, for instance—and in Glasgow.

173. Those are under the Corporation?—Yes.

174. Would it not be much better for the State to do it?—I think so.

175. As a legal man who takes an interest in public affairs, would it not be possible at this stage to do something in the way of restricting large holdings in the city? Would it not be well to put a pretty progressive land-tax on this land?—I would be very glad to see something done in that direction. There is, of course, the graduated land-tax, and I suppose it applies to the city properties as well as to any other.

176. According to your facts, a man in the early days only required to buy these sections, go to sleep in hope, and he would leave a fortune to his family?—That is so.

177. It is very different in the country?—Yes. The unearned increment is probably not, as a rule, so large or so rapid; but it must be remembered that very large increases in value have been given to country lands by public works, such as railways, which are not paid for out of rates.

178. The settler living on the land makes it possible for the railway to pay?—In America they put on railways first, and then put on the settlers.

179. You are aware that in parts of America large portions of the public estates in the vicinity of railways are given away free, and the State only derives a benefit when they sell a township?—I have heard that that is so.

180. In Canada, as you know, any one who goes there can get a certain number of acres?—I have seen that stated.

181. You admit that in connection with country lands the rates for roads have to be counted against the unearned increment?—That is so; but these rates, after all, are merely an investment for the improvement of the land.

182. But the landowner pays the local taxation for the expenditure that goes on?—Yes.

183. *Mr. Hall.*] Has the Government any property in Dunedin?—Not beyond what the public buildings stand on. I know of no reserves.

184. There is no Government property here that could be disposed of?—No.

185. Then, the question as regards the value of land in Dunedin does not come within the inquiry as to land-tenure?—I do not know the exact scope of the Commission.

186. You spoke of the increased values of land in Dunedin, but you did not take into consideration other places where the land had greatly fallen in value. There is such a thing as townships which have been laid off in New Zealand where these buyers could not realise the value



that they gave in the first place?—If they hold on to them they will. Sir William Russell himself, in Parliament, said there was no doubt, in all human probability, that the value of all the land in New Zealand, speaking generally, would increase and keep on increasing for some considerable time.

187. *The Chairman.*] On the contrary, I could name a dozen townships in the Province of Otago where the sections would not realise shillings to-day for the pounds that were paid for them?—There may be exceptions, but I was speaking of the general rule, and I give you Sir William Russell's statement as he made it.

188. *Mr. Hall.*] With regard to railways, of course, these railways add to the value of land, but is it not the land itself that has made the railways; has not every man's land in the country been mortgaged for the money that constructed these railways, and that but for the settlement of the country the money could not have been raised?—It is true that the lands are mortgaged, but the interest is not paid by the landowner, as a rule. The total amount, as I have told you, that arises from the general taxation of the land of the colony is only about £335,000.

189. The whole of the interest is paid out of the products of the country, and these are created by the settler?—As far as the land-tax goes, the country settler pays very little.

190. Have you taken out the amount that the city pays?—No, I have not; but the total amount from the whole country is very small.

191. Would you advocate trustees being empowered to lend money on leasehold tenure?—I would.

192. Would that not be a very dangerous thing?—I do not think so.

193. Trusts, I suppose, to be safeguarded?—The only danger is in lending too much. Enormous sums of money have been lost in lending on freehold. There is no reason why the loss should be more on leasehold than on freehold if ordinary care be taken.

194. Should not trust money be carefully safeguarded, and while freehold can be got as security why, then, on leasehold?—I say that the money lent on leasehold is as well safeguarded as money lent on freehold, provided you do not lend too much. That is the only salient point.

195. You also stated that, as a rule, lessors of land very carefully enforced restrictions and conditions?—That is my experience.

196. I have seen a great deal of leasehold land worked in the country, and the very opposite has been my experience. I find leases filled up with all sorts of legal terms and restrictions which are never considered, and which are not adhered to in one case out of ten?—I can only say that many times tenants have come to me where the matter of enforcing the provisions of a lease is in question, and the landlord, as a rule, as far as I have had any experience, insists on the terms of the lease being carried out, and I think it will be found that in Otago that is the general rule.

197. You admit, I think, that workers should have an opportunity to provide homes for themselves in the city?—My idea was that the State should provide the land and build the houses and lease them.

198. In one city in New Zealand the Government have done that. They purchased land at the instigation of legislators in the House, and it has been an entire failure?—I quite believe that. There are many reasons why it may be a failure—unfavourable position, and so on. There is no reason why it should not be a failure owing to one or more causes just as much as if it had been done by a private landlord.

199. What I refer to is land taken on a line of railway five miles from the city, in 5-acre lots under lease in perpetuity. The Government advanced money against the building of the house, and it has been a failure?—There is this to be said: that a great many of the workers do not like to go outside; they like to live in the towns.

200. They like the comforts of a city?—If they like to live in the towns at a reasonable distance from their work I do not see why they should not.

201. *Mr. Anstey.*] Do I understand you to say that the State should not part with any more of the freehold of the land on any conditions?—Yes.

202. Dispose of no more except on leasehold?—Yes.

203. I presume that applies to settlers in the back blocks?—Everywhere.

204. You propose that the settlers on the back blocks should have secured to them the value of any improvements they make?—I would practically allow the back-block man to enjoy the land for nothing until he reaped the reward of his labours, but I would not give him the freehold.

205. I presume you have got some feasible scheme for securing to the settler the value of the improvements. The difficulty in arriving at the full value of improvements on bush lands has been pointed out. You know that the clearing of the bush involves the destruction of the bush and the total disappearance of the improvements. How would you ascertain the value of improvements that disappeared twenty-one years ago?—Every day, every week, every month, every year valuations are made of the improved and unimproved value of land. In every county, borough, and town values are fixed every day. It may be that the principle on which these valuations are made is not always a perfectly correct one, but I see no reason why it should not be fairly reliable.

206. Would you send a valuer every day to see how the bush is disappearing?—No; surely that would not be necessary.

207. How would you get at it?—I do not profess in any way to be an expert valuer or to put forward rules for valuing. I only say it is done every day where there is rating on unimproved value.

208. I can understand that quite well where there is a city, but the objection I am raising is a pertinent one. I have already pointed out that these improvements depend almost entirely on their disappearance, and it has been asserted over and over again that there is no way of securing to the settlers of the back blocks the value of their improvements except by giving the freehold. So far nothing has been suggested as to how that value is to be given otherwise than by giving the freeholds. I ask you, can you suggest any way by which we can give him those improvements?—

What I understand is this: bush lands are generally cleared by contract—that is to say, at so-much per acre.

209. That is a mere trifle in the clearing of the land?—If the land is cleared by contract surely the ascertained value is the amount of the contract.

210. That is only a trifle?—I have heard of contracts for stumping—for clearing out the roots.

211. How do you know how many stumps there were in the land twenty-one years afterwards?—I only know that the valuation is made year by year and the valuations remain. You have only to look up the official records to know what the valuation was twenty-one years ago.

212. Can you tell me whether within the last ten or fifteen years there has been any decrease in the value of remote bush land?—I cannot say as to that. I am not an authority on bush land and do not pretend to be.

213. You told us just now about some very large unearned increment that came under your notice as having taken place in the city. There is no reason to doubt your word, for there is no doubt that there is an enormous unearned increment in the city. It is dreadful to think that the city should have lost these enormous sums of unearned increment, but can you suggest any means by which in the future this increase can be retained, or what has been lost in the past recovered? Would you suggest that the city should buy up these properties?—I see no reason why they should not be taken under the Land for Settlements Act. They can be bought by debentures.

214. You suggest that they should purchase this hundred and twelve million pounds' worth of land in the colony?—I believe it would pay most handsomely, from a business point of view. From a business point of view, it is madness to part with the freehold of the land when it is absolutely certain that in a given number of years it will be worth ever so much more.

215. Suppose the State buys these hundred and twelve million pounds' worth of land, where would they get the money?—They would pay by debentures. The money or cash would not be necessary.

216. Can you tell me what the owners would do with this large amount of money after they had got it?—They would not have the money in loose cash. They would have debentures, which they would sell, just as is done in the case of ordinary stock.

217. You gave instances of city reserves being leased, and compared the city leases with those of private leaseholders: are the city reserves being administered in the best interests of the community—from the figures you gave us they are wasting the public estates?—I do not say so. I think the proper policy is to ask for fair and moderate rents. I am no advocate of putting up these leases to auction and selling to the highest bidder. That is wrong.

218. On the other hand, private owners are extracting far too much rent?—I think so. I am sure of it.

219. They are disposed of by public competition, I presume?—Some are by private arrangement.

220. Who are the public reserves administered by?—The City Council.

221. The Council are elected by the ratepayers?—Yes.

222. Who do the reserves belong to—the public, I presume?—Yes.

223. It is a public property administered by the ratepayers?—The term "ratepayer" is more embracive than formerly: every lodger has a vote.

224. Would it not be more just if these lands were administered by the Land Boards who represent the general public, and not by the ratepayers?—I do not think it is of much consequence which body administers the land.

225. You think the Council is justified in letting these reserves for, in one case, £167 per year, whereas by your statement a private leasehold realises £2,000. Do you think that perfectly right?—It spells ruin for the man who pays the £2,000. I think the £167 a fair rent for the section that pays it.

226. *Mr. McLennan.*] Has the Presbyterian Church got any endowments in Dunedin?—I believe so. At all events it has considerable reserves.

227. Endowed by the Government?—The church is the owner of the freehold of the property. I would not say it was got from the Government, but I was under the impression the pioneers of the settlement set apart these reserves for the church.

228. There has been a great deal of discussion as to whether these church endowments here are, strictly speaking, endowments, or whether they were purchased by the first settlers who came to Otago?—As far as I understand, the Presbyterian Church endowments were reserved for the church in the original settlement.

229. *The Chairman.*] That is not so?—Very well, I accept your statement.

230. *Mr. McCutchan.*] Referring to the question of taxation, I think you said that settlers would resist the imposition of taxation by legislation?—Getting taxation out of land is like getting blood out of a stone. I can speak from my own experience in the House, that when a question of getting another sixpence out of the land came up it was always the signal for a fierce fight.

231. The resistance was effective?—Very often it was.

232. Does not it occur to you that exactly the same objection and exactly the same force would be behind that objection in the case of the State owning all the land?—No.

233. Why not?—Because the State makes its own contracts with each individual tenant. That is quite a different matter from imposing a general tax in one instant on every landowner in the country.

234. If the tenants are in the majority they can resist anything?—No doubt; but do you suggest that the tenants should be taxed after they become tenants?

235. They will have to be taxed on unimproved value?—I do not think that there should be any taxation of Crown tenants.

236. How would you raise the revenue of the country?—From the rents. There are about

66,000,000 acres of land in New Zealand, and if you calculate that land as let at even 1s. per acre per year you would raise about three millions and a half of money. There is no reason for taxing the tenant if he pays rent. How much rent could be raised from Dunedin alone? Not less than £250,000, at a very low estimate, per annum.

237. You said that between 1891 and 1904 the unimproved value of land increased by £36,814,571?—That has been stated.

238. And you point out that during the same period the improvements have only increased by £23,801,522?—Yes.

239. And therefore you consider that the difference between the improvement and the other value—some £13,000,000—belongs to the State?—You see, the £36,000,000 does not include improvements at all.

240. The question I wished to ask you is, have you analysed that unimproved value? For instance, a new block of country is opened up, and the settlers go on it and make certain improvements. The capital value remains for three years, but there is an increase of £1 an acre. To what is that due?—It might be due to the extra demand for land, it might be due to some public works, or it might be due to the man's own labour. I do not profess to say what particularly might cause it.

241. You have a legal mind: have you gone into this question closely before making your statements to-day?—If you mean have I examined the various principles on which all the various valuations are made, I can only say I have not. I take it that the figures which are officially supplied in the Year-book are approximately correct.

242. Of course, you know you can pretty well do anything with figures?—I do not know; I cannot.

243. The figures you quote are perfectly correct, but, analysed, a different complexion may be put on them. I suppose you admit that a person is entitled to any value he creates?—Undoubtedly.

244. And a settler the same?—Undoubtedly.

245. You maintain that that £36,000,000 of unimproved value belongs to the State, but, supposing £10,000,000 or £12,000,000 of that money is value which has been created by the settlers' expenditure upon roads, you would not say that the settlers' expenditure on roads is State expenditure?—No.

246. You have been a member of Parliament, representing an important constituency, and these matters have been under your notice for a great number of years. In the roading of these back blocks, who was it found the money?—The bulk of the money was found by rating the land. Very often it is done by borrowing, and very often the Government lend the money. The Government very often make grants for that purpose.

247. Is it not a fact that the Government make a large profit out of all the blocks of Native land they acquired?—I should say so.

248. Have you analysed the matter to see whether these blocks of land acquired from the Natives in the North Island have not a proportion of the loan-money raised from time to time?—I have not in respect to the Native land of the North Island. I have not been in the House since 1902, and do not know very well what has been done in the last two years, nor am I perfectly familiar with the Native-land dealings.

249. You spoke of grants: I suppose subsidies come under the heading of grants?—Yes.

250. Have they been increasing or decreasing since you have been interested in these matters?—They were decreased for one year, and there was a good deal of complaint. If the finances are good and there is a large surplus, as a general rule there seems to be an increase in the subsidies. If there is a shortness of money and things have not been good the subsidies go down. There seems to be no principle on which grants are made, except the urgency of the work and the supply at hand of money. A road or a bridge is wanted in a certain district, and the Government apparently get a report from an engineer, either that the work is one that should receive Government assistance, in which case money is given, or they come to the conclusion that they will not assist.

251. Subsidies have increased enormously during the time you speak of?—Yes.

252. In Dunedin you do not take up a judicial attitude at all. You take an isolated instance where there has been an enormous increase, and you wish to apply that generally. You must be aware that our order of reference applies to town lands, and I waited to hear your application of the conditions of things in Dunedin to the rural land of the colony. Are you aware of the amount of money the County Councils have expended under the Government Loans to Local Bodies Act on roads?—I cannot give the exact figures from memory.

253. Is not the increase in the value of the land of the country due to two things—road access and the value of products?—It largely depends on these things, but they are not the only factors.

254. What are the other factors?—Railway communication, increase of population, greater plentifulness of money, and a variety of causes.

255. The settlers made the railway communication. It is not a cause, it is an effect?—A cause too, sir, of increased value.

256. You are making a very great mistake. Under our policy railways follow settlement. There are very few instances in this colony where railways, except for political reasons, have been constructed unless there were products to be carried by them. You quote authoritatively the figures from the Year-book. I think it was due to yourself and the Commission that you should have gone carefully into them and analysed them. You have taken no pains whatever to show the source where the unimproved value came from. You jump to the conclusion that it belongs to the State, and you acknowledge at the same time that where a man's energy is responsible for it it belongs to him—a contradictory statement?—The figures I have given you are for the strictly unimproved value. Any value given by a man's labour to the land is, I take it, included in the value of improvements. These figures are those of trained experts. The country travels on those figures, and if they are not correct you can hardly expect me to demonstrate that fact.

257. I am a trained farmer; you are a trained legal man. I accept the figures as absolutely correct. What is incorrect is your application of them. Were you a member of Parliament when the Rebate to Crown Tenants Act was passed: did you take any part in the debate?—I stonewalled the Bill.

258. Upon what grounds?—On the ground that it was unfair and improper to give a 10-per-cent. reduction all round. We would have given 20 or 30 per cent. reduction in necessary and proper cases, but to give a 10-per-cent. reduction to men who were even then selling the goodwill of their leases for large sums was nonsense.

259. Is it not a fact that the settlers pay land-tax, and also pay through the Customs, the same as the people of the towns?—That is quite true; but the settlers have the valuable thing—the land.

260. Your advocacy of State ownership of land implies periodical revaluation?—Yes.

261. Do you think, as a gentleman of experience, that practical men with perhaps a little money and knowing what they are doing will go into these outdistricts, where there is no road access, and take up this land with a revaluation clause in their lease?—I can only say that it is done every day—I do not say in very remote back-block districts.

262. *Mr. Matheson.*] Would you agree with me if I suggested that there is a clear principle of giving grants of money where the lever applied is strong enough to move the log: do you think that is a bad principle?—From my experience, that principle did not work. My experience was that the Administration went to considerable trouble and pains to get reports, and decided in each case whether it was a fitting and proper thing to make a grant or not. I tried desperately hard to get some money for local bodies in my own district, with very little success.

263. You think it would be a sound principle where settlers rate themselves to form roads if in future the Crown took over one-half of that liability? The settlers in rating themselves show a genuine need for the roads?—I think if the Crown had some tangible return—if they had control of the roads, or something of that sort—it might be a good thing.

264. You know that in the past a great many roads have been made entirely by the State?—That is so.

265. Seeing that the people are rating themselves to make roads, would it not be sound for the State to pay half of that liability?—I think you cannot lay down a hard-and-fast principle.

266. You would leave it to the State to make grants where they deem fit?—Where it was necessary and fit. Some roads are very expensive to make or keep up, and it might be a poor borough or district that has to keep up that road. But in other cases the district might easily be able to do it out of its own funds. I could give several instances of each case.

267. Do you think Dunedin would ever have originated if the founders had known that there was to be no right of purchase?—That is a very difficult question to answer. What might have been is largely a matter of speculation. I think, myself, if they had reasonable promise of getting land on easy lease I see no reason why it should not have been established.

268. Do you not think they are entitled to a handsome profit for investing their money in the land in the city in the early days of the pioneers?—I do.

269. *Mr. Paul.*] Do you know that the labour party propose revaluation?—I do.

270. Was there ever a proposal to make that retrospective in its application?—I have not heard of any such proposal by the labour party—although the 999-years lease is a terrible thing.

271. It goes without saying that you object to the lease in perpetuity as at present?—Entirely.

272. You are prepared to vary the revaluation clause in reference to bush land?—I would give every possible consideration to the bush settler.

273. If the revaluation were set aside in connection with the bush lands, that would not be an objection, surely?—Bush lands can be dealt with on exactly the same principle as other lands. If land has no capital value a man pays no rent until it develops an unimproved value.

274. Surely, you are prepared to give every encouragement to a man to go on bush land?—Yes, certainly; but that does not involve giving him the freehold.

275. It was repeated to us by several witnesses that there should be leasehold for the town and freehold for the country: how do you view that proposition?—I should not agree with that at all.

276. It is proposed in some quarters to give the freehold to Crown tenants under the Land for Settlements Act. If it is decided to do that on what terms should it be given, the original or the present capital value?—I do not think it should be granted on any terms at all; but if it is, then it ought to be on the capitalised value for twenty years into the future. I would not be in favour of selling the freehold at all.

277. Do you think it would be likely to break down that system?—I do.

278. In the case of workmen's homes, do you not think that the matter of distance from the centres was very largely the cause of the failure of the scheme?—I think the same causes would ruin a settlement established by the State would ruin a settlement established by a private landlord. If the place was unsuitable it would fail. To be a success the conditions must be the same as would be the case in a successful settlement by a private person—the rents must be less than in town, and the position must be suitable. If any of these factors or many others are wanting it will not succeed.

279. The City Corporation leaseholds are entirely in the hands of the Corporation, are they not—they are not part of the Crown lands?—I think they are all in the hands of the Corporation.

280. The City Council can administer them as they think best?—Yes.

281. If they think a reasonable rent is better than a rack rent they put on a reasonable rent?—Yes. As a matter of fact, the rents are fixed generally by arbitration. There are private leases in this town of sixty years where there is revaluation every ten years, and they are accepted gratefully. They belong to an absentee landlord.

282. There was some discussion whether the settler precedes the railway: is it not a fact that closer settlement often follows the railway? A railway goes through a district, and after a short time closer settlement follows that railway?—I think, as a general rule, that is so.

283. Do you think the Otago Central Railway has improved the value of land in that district?—As far as I can gather from the reports, the result has been to increase the land-value along the line of railway.

284. If it did not increase the value there was no necessity for the line being put along there?—That is so, no doubt, in a sense.

285. In reference to this rebate of rent to Crown tenants, do you think that the accepting of that rebate breaks the contract between the tenant and the Government?—I do not regard it in that light. I make no fetish, although a lawyer, of this alleged sacredness of contracts in every case. In the case of foolish contracts that are entered into, if the best interests of the community and changed circumstances require a change in the provisions of the contract it is right that such a change should be made, even by legislation.

286. Do you not think that the whole foundation of our Government is built on the fact that the word and bond of the Government is a thing that can be abided by, and if any variation is made in the contract proper compensation should be given to the person with whom the contract is made?—It is a common practice of the Law Courts to grant relief against what they call unconscionable bargains, and I do not see why the State should not adopt the same course. A striking instance of a clear breach of contract by the State is the Land for Settlements Act. Every man's Crown grant gives him the right to hold the land to him and his heirs for ever. That is a contract. But the Act says now he shall do nothing of the kind, but must give up this land if it is wanted.

287. Do you think the State would be justified in resuming the freehold of the lands which they have sold and which have gone up in value?—On their present valuation—not to confiscate them.

288. *Mr. McCardle.*] Do I understand you to say that you considered the State would be justified in purchasing the whole of the freeholds—£112,000,000?—Yes; but, of course, they would have to pay for the improvements also.

289. What would the improvements amount to?—They are set down at £70,000,000.

290. Do you know of a case where railways have had the tendency, instead of building up and creating values, of destroying centres?—Yes. Some small towns in the country, I believe, have experienced loss through the people taking advantage of the railways to go to larger centres to transact their business.

291. Were you in the House when the Fair Rent Bill was brought in?—I was.

292. Did that have retrospective tendency?—I do not think so.

293. Unless it was to be so the whole thing would have been met by an amendment of the Land Bill?—It never went any distance.

294. It was there, and the feeling of the country was that it was to have a retrospective tendency—was that so?—I do not think the Bill itself had such a provision.

ROBERT FERGUSON examined.

295. *The Chairman.*] What are you?—I am a compositor. I was born in the colony, and I have been twenty years in Dunedin.

296. Are you interested in a practical way in land?—I am not directly interested. I appear before you on behalf of the Trades and Labour Council of Otago. I just wish to emphasize what Mr. Scott has said. I saw his remarks in the paper and I know his ideas. I would like to make it perfectly clear that the labour party in Dunedin, and, in fact, the whole New Zealand labour party, are not antagonistic to the farmers, but they are antagonistic to the farmers or anybody else owning the freehold, because we consider it is not in the interests of the colony that the land should be parted with. For my own part, I say that so long as the freehold system is in existence a man has a perfect right to buy the freehold, whether he is a land-nationaliser or not. I do not say that is the opinion of all the labour party, but it is my opinion. We consider the land question of far more importance than any law ever passed in New Zealand. We have the Arbitration Act and the Factories Act and 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. We consider these Acts only stop-gaps. Mr. Scott told you yesterday, on behalf of the labour party, that we advocate the leasehold with periodical revaluations. We contend that parting with the freehold is parting with the birthright of the people, and that you have no right to part with the freehold under any consideration whatever. Every man born into the world has a right to own a certain portion of land, and it is impossible for him to own it if you sell the freehold. The only possible way a man can own a portion of the State is through land-nationalisation. You have as much right to sell the air as the land, because the one is as necessary to life as the other. We consider the land belongs not only to this generation but to every future generation, and that the State has no right whatever to part with that which does not really belong to this generation. We have heard a good deal about the inherent desire of every man to possess a portion of the freehold. Well, I would like to ask, how is it possible to gratify this desire? If you part with the freehold how are the generations to come to get a portion of the land? The only way to gratify it is by the State owning the whole of the land, and then every man will have an equal share of it as a member of the community. We contend that immediately you part with the freehold you part with the community-created value for all time—that is, the unearned increment. All you get for the freehold is the market value of the land for the time being, and, no matter what railways are constructed or other public expenditure is made, the only man who can possibly benefit is the land-owner. To illustrate that I will refer to Anderson's Bay, a suburb of Dunedin. I cannot quote exact figures, but I will say that land that could probably have been bought a few years back at £50 per acre has, owing to the construction of tramways at the cost of the ratepayers of Dunedin, risen in value. I say that increased value is community-created. The Anderson's Bay people did nothing to increase the value of their land, but they get the benefit of that increase, and I know as

a good commercial principle that when land increases in value you have to pay an increased rent. The owners want more rent for their places at Anderson's Bay now because the land is more valuable. It is the same with the Otago Central. The settlers there told you that the value of the land is going up owing to our money being spent on that railway. Who reaps the benefit of it? The landowner every time, and no one else. The railways do not pay interest on their cost, and we have to pay a portion of the interest and bear that extra burden. If a man wants to sell he wants an increased value for his land. Therefore it costs more to produce from the soil, and the consumer has to pay more in order to recoup the landowner

297. *Mr. McCordle.*] Does he get it?—He must get it.

298. Where does he get it from?—He gets it from the consumer. If he cannot get it he cannot pay the price for the land. A man will not pay a price he cannot get out of the ground, unless he is a fool. As an economic fact, I reckon it is perfectly sound to say he must get that value from the consumer, or the land is not worth that price. No one can wonder why the working-class as a body object to the freehold, when rents go up and they receive no benefits. The same thing applies to town and suburban lands, and also to the lands over the whole of the colony. Spend money on them and up goes the rent, and the man who does not own any land practically receives no benefit. We want to be perfectly fair to the landowner. We do not want to take anything from him that rightly belongs to him. We say let him have all the improvements he may put on the land; be generous with him. We have no desire to rob any man of anything that rightly belongs to him. At the same time, he has no right to be allowed by the State to take things that do not belong to him—that is, the unearned increment. We want him to be fair to the rest of the community as well as that the rest of the community should be fair to him. We reckon the only possible way to do this is by retaining the land and having periodical revaluations, because it would be unfair in our idea to value the land at a certain figure and lease it to a man at that rent for 999 years. This is as good as the freehold, and we contend that principle is wrong. I do not think the labour party as a whole are very particular as to the exact periods when the leases should be revalued. I think anywhere between twenty-one and thirty-five years would be fair. I want to make one point perfectly clear. During the trip of the Commission farmers have said they fear that the revaluation would be made to apply to existing leases. They fear that the Government will break their contract and revalue the properties they now lease. I would like to point out that the same people who contend that have no hesitation in asking that the contract should be broken to enable them to obtain the freehold. They are afraid that the contract may be broken to their detriment, but when it is to their advantage they have no hesitation in asking that it should be broken. If they think that the Government want to break the contract to their detriment, why do they ask that the same contract should be broken to benefit them. I would like to say that, in my opinion and in the opinion, in fact, of the labour party, the farmer is very, very far from being an unbiassed witness. It is to the farmers' interest to get the freehold if they possibly can. It is to the interest of each one individually. If I could pick up a piece of land to-morrow in Dunedin for £100, and I thought the unearned increment would increase the value next year to £200, I consider I would be a fool if I did not buy the land and turn it over at a profit. The farmer says he would like to buy the land, and I say small blame to him, because the farmer knows there is unearned increment in it. There is a deal of selfishness in human nature. A farmer in Southland came along and told you, "I am a freeholder for myself, but for the State I am a leaseholder." That is the gist of the whole matter. We contend that no value should be placed on the farmer's opinion that the freehold should be granted to him. We know that the evidence so far is all in favour of the freeholders. Of course it is, because a majority of the witnesses have been farmers. If you are going to decide by a majority of the witnesses, which we contend you should not, we would keep you here three months calling people from the ranks of the labour party to tell you that the freehold is wrong and that the leasehold is the right system. We want to make it perfectly clear that it is the reasons for and against the system that should count, and not the number of witnesses, who are mainly interested parties. Again, I find that people who advocate that you should get a direct revenue from endowments, such as education, Harbour Board, and Corporation endowments, contend strongly that you have no right to part with the freehold of those endowments. Your first witness (the Mayor of Invercargill) advocated the freehold strongly, but at the same time he would not sell these endowment lands, because the bodies concerned are getting a direct revenue year after year. If that argument is sound, and if the Government kept hold of their own land, would they not get a revenue from them year after year? We would like to point out that every acre of land that is sold reduces the assets of the colony. The whole revenue is swallowed up in the Consolidated Fund. I am perfectly convinced that very few people would part with these endowment leases, but the same people advocate parting with the Crown lands, and we say that is very inconsistent. I also say it is an insult to the leaseholder to have it continually thrown up at him that he does not farm his land as well as a freeholder. I think the farmers insult the leaseholders by saying that. We know that independent witnesses, such as Crown Land Rangers, come along and tell you that the leaseholder farms his land equally well as the freeholder. I do not think there is anything in that contention at all. We think it is wrong for the State to sell a block of land and improve it, and then buy it back at an enhanced value. At the present time, according to the Year-book, there are 115,713 landowners in New Zealand. Of these forty-three thousand odd own over 5 acres, and somewhere about seventy thousand own under 5 acres. The unearned increment of the whole of the land of the colony last year was £9,000,000. We contend very strongly that a proportion of the interest on that unearned increment on whatever accrues from the freehold—I am not able to find the figures—is paid by the man who does not own 1 acre of land, and that means three out of every four adults in this colony. The landowner gets the unearned increment, and the more the land goes up in price the poorer the landless man will become. That is why you find extreme poverty and extreme wealth side by side at Home. In conclusion, I would like to say we have heard a good deal about these bodies not

being able to get people to take up their leases. I may say there is not the slightest difficulty in letting these leaseholds all over Otago, at any rate. There may be a case or two, but they are isolated ones. The men who take up these leases do so knowing they have not the slightest hope of acquiring the freehold of that land. I am perfectly convinced that, no matter what the report of the Commission may be, the time will come, though it may not be in our time, when the State will own every acre of land in this colony.

299. *Mr. McCardle.*] You instanced Anderson's Bay property: do you know if the Corporation of Dunedin are running people free to Anderson's Bay?—Certainly not. The working-man has to pay his fare the same as others. It does not matter whether he is a working-man or not; but that is where the iniquity of it comes in. He has to pay a higher rent, and he gets no benefit from the trams going out.

300. Does he require to pay a higher rent in Anderson's Bay than in the City of Dunedin?—Certainly not. If you come into the centre of Dunedin you have to pay a higher rent, because the nearer you are to the centre the higher the rent becomes.

301. You state that the price of land has gone up in Anderson's Bay: what is the price of land per acre there to-day?—I do not know. I only quoted that as an illustration. I say distinctly that the land has gone up in value since the tramways were constructed, because any public-works expenditure has a tendency to increase the value of the area that comes within the scope of that expenditure.

302. You have come here and said that the price of that land has gone up, and I ask you to what extent?—I only used Anderson's Bay as an illustration, and I say, as a general principle, it is correct, because immediately you construct public works you increase the value of land.

303. I can take you back to the time when Anderson's Bay was worth £50 per acre; and are not the men who have been paying interest on that capital all these years entitled to the increased value which ought to take place without any tram at all?—I say, as a general principle, the value of the land has increased through the construction of the tramways.

304. Then, you say that an unearned increment has arisen, and you take it that the face-value of improvements on all holdings throughout the colony is fairly represented by the figures appearing in the Year-book. I can take you to a country all covered with dense bush, which a settler takes up from the Government, and the Ranger assesses his improvements, in the shape of bushfelling, fencing, and grassing, at something like £2 per acre. That settler and his family will occupy all their labour in improving that place for five or six or more years, and when the Ranger comes along to value the improvements he does not increase the valuation, but very often reduces it, because in the meantime the fencing has deteriorated. The Ranger does this although that man has spent all his time and labour in effecting improvements and has taken nothing from the soil, and therefore the improvements are much greater than the amount represented?—I take the Year-book as the official information from the Government, and I take it to be correct. I am not in a position to dispute the figures in the Year-book. If you dispute them I cannot help that.

305. Do you not think that before you come before a Commission like this to give evidence you should make yourself acquainted with the real facts of the case?—If a man cannot use the official publication of the Government for his facts, then I do not know where he can go for his facts. I consider I have a perfect right to use the official publication of the Government and make a statement on that, independent of what any Commissioner may think.

306. You know something about small farmers and their earnings on the farm?—No; I cannot say I have any practical knowledge of them.

307. You recognise he is a labourer like yourself?—Most decidedly. I have the greatest respect for him.

308. And that he is the creator of the wealth of this colony?—That is to a certain extent true; but if there were no consumers he could not possibly create wealth.

309. I suppose you are perfectly aware he does not require a single consumer in this colony to get the prices he obtains now—that the whole of his profits and the proceeds from his labour are ruled by the London markets?—That is the consumer, notwithstanding. I do not care whether the consumer is inside the colony or outside.

310. If it is the consumer outside the colony that has raised the value of his farm, then it is the consumer outside the colony who ought to be entitled to the unearned increment?—No. We would not claim some of the unearned increment of England any more than England could claim some of our unearned increment. The colony must get its own unearned increment, no matter who the consumers are.

311. Do you remember Sir Julius Vogel's public-works policy?—I do.

312. The country was not settled then. Do you know what that policy was?—It was to construct railways for the benefit of the people and to sell lands and to settle the people on the lands. We want to settle the people on the land.

313. These railways are not maintained, as you think, entirely at the cost of the workers of the colony?—I never made the statement that they were.

314. Nor are they entirely in the interest of the farming population, because the farmers are able to produce more from the land, and so increase the prosperity of the colony and maintain the workers in the colony, and give them profitable occupation without which they could not be in the position in which you find them to-day, in the City of Dunedin, for instance?—You put a wrong construction on my remarks. I say these railways when constructed in any particular locality benefit the landowners there. The landowner puts up the price of his land immediately the railway has been constructed to his door, and the consumer does not get any benefit by the construction, because he has to pay higher for the produce he consumes.

315. You know perfectly well that if the London market was to fail to-morrow the people occupying the land in this colony could not possibly succeed?—I do not dispute that for one moment, but that has nothing whatever to do with the question. I am not so foolish as to say the consumer here or in England. You can go all over the world.



316. *Mr. Anstey.*] You gave us some instances of a very large unearned increment in regard to land near the city: can you give us any similar instances of large sums of unearned increment which ought to belong to the people falling to individuals in remote settlements?—All I can say is that I am taking the unearned increment as a whole. I am not taking the unearned increment of any individual settler.

317. You cannot give me any instance of unearned increment in remote settlements?—I do not know where to get this information. It is not in the Year-book.

318. Suppose it is said there is none, could you contradict it?—I could not, because I do not know.

319. Seeing that apparently there is very little unearned increment in the bush districts, and apparently a tremendous lot in the towns, and seeing that the experts tell us the people will not go into these remote settlements unless they get the unearned increment, would it not be better for you to confine your efforts to securing the unearned increment where it exists?—We go for the principle. It would be very wrong of us to advocate a principle to apply to the city and not to the country as well.

320. We have had evidence that people will not go into these remote districts unless they get the freehold?—For myself, I cannot possibly tell you whether they will or not.

321. Supposing they will not, would you give up your principle, so far as they are concerned?—No, I would not budge for one moment.

322. You would insist, notwithstanding that it would mean these lands lying idle?—I would offer every inducement for them to go into the country short of parting with the freehold.

323. You tell us that the lease-in-perpetuity holder by asking for the right of purchase is guilty of attempting a breach of his contract?—That is so.

324. Can you tell us whether any lease-in-perpetuity holder has asked for the freehold?—I do not remember the names of any of them; but I see by the papers that a number of them came before you Commissioners and said they would like the law to be altered to give them the freehold.

325. You referred to public reserves, and I take it that you would put them on the same footing as Crown lands in regard to obtaining the freehold. Do you think if the right of the freehold is granted in one case it should be granted in the other, or to neither?—I think no one should have the right to the freehold.

326. You think one has as much right to it as the other?—Yes; it is inconsistent, in my opinion, to advocate the freehold for one and not for the other.

327. *Mr. Forbes.*] Is it true that the increase in wages of late years has been followed by a great increase in the price of rent?—I do not think there can be any doubt of it. This has been the experience in Dunedin.

328. *Mr. McCutchan.*] You spoke of land being the birthright of the whole people, in the same way as the air?—That is perfectly correct.

329. Why do you make that statement?—I make that statement because no man can live without land and no man can live without air.

330. We will admit the correctness of your statement with regard to air, but why cannot a man live without land?—Because he must live off the products of the land. If there was no land to grow produce a man could not live. What is he to live on.

331. But every man is not a producer from the land?—I never for one moment said he was.

332. Therefore it cannot be his birthright?—Every man born into the world has a perfect right to have a share of what is absolutely necessary for his existence. We do not say for one moment that every man is a producer.

333. I think we have heard that statement about land being the birthright of the people a great many times, not only from politicians but from gentlemen like yourself, and I think it is a matter which requires very close analysis. I suppose you have been a student of the old Mosaic land laws?—I cannot say that I have

334. It was mentioned there, as a general statement, that the land was the birthright of the people, but the explanation is very simple—the land was the birthright, and was secured to those who were prepared to go on it and make it reproductive. All our land laws go back to the old Mosaic land laws, and there never were wiser laws; but they had entirely different laws for the people living in the cities, because the circumstances were entirely different. So that when you make the statement that the land is the birthright of the people I take objection to it straight away?—I not only contend that, but I believe all political economists of modern times hold the same views. I do not profess to have the same knowledge of these things as the writers of political economy, but they will all tell you that the land belongs to the people, and that you have no more right to sell the land than the air, because it is absolutely necessary to existence.

335. With reference to the £9,000,000 of unearned increment that has accrued from 1903 to 1904?—That is in the Year-book.

336. We had a witness here this morning—Mr. Barclay—and he made a somewhat different statement. He said that the unimproved value, which, of course, includes the unearned increment, from 1891 to 1904 was £36,000,000?—That may be correct; the two statements do not clash.

337. You claim that the whole of this £9,000,000 belongs to the State generally because it is unearned?—I do.

338. What is it that gives the increased value to land?—The public expenditure of money to a great extent, and also the density of population.

339. The expenditure by the public generally?—One Commissioner spoke about Sir Julius Vogel's borrowing policy, and that is the sort of thing that has given it. You and I have to pay the interest on that although we do not own an acre of land.

340. Try to be a little more concise: you state that the £9,000,000 have been produced by general State expenditure?—I do not say it is all so produced, but I say that to a great extent it may have been produced by the community. If the population of Dunedin gets denser up goes the price of land.

341. Of course, you are aware that our inquiry has to do with Crown lands, and in reference to them I will ask you this question: have you looked into the amount of expenditure that has actually been made by the settlers, independent of the general public, in roading the country?—I have not looked into it, but I am quite willing to admit they are entitled to all that.

342. We will suppose that your scheme is carried into general operation, and all freeholds are abolished, and that all land, both rural and town, is under the leasehold system: would you fix your rents simply to bring in the revenue that is required?—I would consider the capital value of the land and get a fair interest on that.

343. Would you abolish all taxation?—It is immaterial whether you put the tax on the people. The money must come from the land some way.

344. Is your object to meet all the taxation of the country by the rent from the land?—I would not like to say the whole of the taxation, because that would be single tax pure and simple. I would not go to that extent.

345. Would you still continue Customs duties?—I have not gone into the details of that. I am convinced the money you would get from the unearned increment of the land would decrease the burden of the debt per head.

346. You made a statement that all political economists advocate a somewhat similar scheme?—I said, so far as I know, and I believe that is correct—that is, political economists of modern times.

347. Are you a student of Adam Smith?—Adam Smith lived some 130 years ago, and what was applicable to his time is not applicable to the present day. So far as I have read Adam Smith—and the best work he ever wrote is “The Wealth of Nations”—he never mentions anything about that sort of thing, because the subject was never before the public.

348. Do you make that statement with the fullest sense of the responsibility of what you state?—I do.

349. And you say Adam Smith said nothing in regard to the matter we are considering to-day?—I do not say he did not refer to the land question, but, so far as I have read Adam Smith, he never touched upon that question. He took it for granted that the freehold was right, because the question had never been before the then public.

350. *Mr. Matheson.*] You said that increasing wages only enriches the landholders?—Yes, it has that tendency. The landowner is the man who gets the principal benefit from it.

351. Then, if increasing wages only enriches the landlords, why try and get the wages increased?—Perhaps I have not made myself clear. What I intended to say was that immediately the colony was prosperous and public money spent on works the value of land went up. No matter whether the workers got increased wages or not he has to pay an increased rent.

352. Do you think that the simplest way to enrich the colony is to increase its productiveness?—Yes.

353. Suppose it could be shown that by granting the freehold the country would be made more productive, would you be in favour of granting the freehold?—No, because I am decidedly of opinion that in the long-run it would be very bad for the colony to grant the freehold.

354. Supposing the farmers said, “Unless we can get the ownership of the land we will go elsewhere and get it,” what would be the position of the town people then?—I do not think the farmers would say that. The farmers take up leaseholds and the holders have no difficulty in getting rid of their leases.

355. *Mr. Paul.*] Do you know of any prosperous country where there are no towns or cities as well as farming country?—I do not know how the farmers would get on if there were no cities.

356. You think their interests are mutually dependent?—Yes.

357. Can you tell us whether the labour party is anxious to promote closer settlement—are they in favour of the land-for-settlements policy?—Yes.

358. Do they think that by giving the option of the freehold in the case of improved estates that there is a danger of the land-for-settlements policy failing?—That policy would be rendered abortive if you granted the freehold under the Land for Settlements Act.

359. Do you know of any leaseholds that have good buildings on them?—Yes; large numbers.

360. Do you believe there is a natural yearning for the freehold?—As I have said, there is a natural yearning for many things.

361. Do you not think the “natural yearning” for the freehold is aided by the fact that freehold pays very well?—Yes.

362. Do you not think there is a very great difference between town land or improved estates and bush land—for instance, it may be probable that a bush settler would require a low rental or no rental at all?—I would give the bush settler every facility—I would give him the use of the land for nothing, for that matter. I would give him every possible inducement to settle on the land.

363. If the obstacles he has to overcome are so stupendous, do you not think the State should aid him?—Yes, if he is doing pioneer work. He has the sympathy of the labour party, and he should have every consideration he is justly entitled to; but we say the unearned increment should be reserved for the people of the colony.

364. In respect to retrospective revaluation, did you ever hear the labour party wishing to apply that principle?—No.

365. Did you ever hear it suggested that there should be revaluation every three or five years?—No.

366. Would you favour the provisions under the Land for Settlements Act which apply to workmen’s homes being brought into operation—that is, acquiring land in close proximity to the cities?—Yes.

367. The Old Country has been mentioned: was it not the freehold system that led to the aggregation of estates at Home?—Yes. The extreme poverty in the Home Country is caused through the land laws.

368. It has been said that there is no such thing as unearned increment: if it turns out that there is no such thing, then the State cannot get it?—That is so.

369. Then, the man in the country has nothing to lose if there is no unearned increment?—That is so.

370. Do you agree with a land-tax without any exemption?—I would not care to give an opinion on that matter at once.

371. If there were a land-tax in operation without any exemptions, would not that be a fair means of revenue?—Yes, and it might enable the Government to do away with the Customs tariff on articles which cannot be produced in the colony.

372. That would be nothing in the shape of a class tax—it would apply generally?—Yes.

373. *Mr. Anstey.*] You said the land-tax without exemptions would be fair, and then you could do away with the Customs?—I said if this tax were in existence it would be equitable and would possibly do away with some of the Customs duties, or reduce taxation in some other way.

374. You say it would be an equitable tax?—Yes.

375. *Mr. McCardle.*] There is a £500 exemption: do you not think that is a fair exemption?—I have not seriously considered that question.

376. The men who hold these small holdings do not earn nearly the wages that the labourer in the town does. The average earnings of these men is about £70 a year, and they have families to keep and to pay interest on their money?—I do not dispute that for a moment.

JOHN LETHBRIDGE examined.

377. *The Chairman.*] What are you?—I am Dunedin manager of Dalgety and Co. (Limited), and I have been twenty-one years here.

378. We wish to have your advice and knowledge about the grassing of runs, and about seeding them, &c.?—I might explain that one of the reasons of my being here to-day is a letter I have received from the Commissioner of Crown Lands. I received the letter on behalf of the owners of Morven Hills Station, for whom we act as agents. After the snow-storm in 1903 we applied for some relief, and evidence was given by the manager and others before the Lands Committee of the House of Representatives in reference to the Pastoral Tenants' Relief Bill. At the time I was in England on a visit. The Bill was not brought in, and consequently I had to consider what was the best course to adopt. Before the snow-storm of 1895 the run had ninety-eight thousand sheep on it, and after the last snow-storm it had only thirty-eight thousand sheep on it. The lease has only five years to run from the 1st of this month, and owing to the fact that valuation is only allowed to the extent of three times the rental, we found ourselves in the very awkward position that we could not see our way to spend money to stock it again. The place cannot be worked to the best advantage without a great deal of subdivisional fencing. I therefore thought the only possible course was to apply to the Land Board for permission to surrender. I understand the Board recommended that the owners should be allowed to surrender, provided they would give a guarantee to take it up at the reduced upset. The application and recommendation were sent to the Minister of Lands, and I have received a letter saying that as the Land Commission had commenced its labours, he, the Minister, thought it might be referred to them. This is the letter I have received:—

“Department of Lands and Survey, Dunedin, 7th March, 1905.

“*Morven Hills Station.*

“The Manager, Dalgety and Co. (Limited), Dunedin.

“REFERRING to your letter of the 28th December last, and to previous correspondence on the subject of the losses sustained in respect of the Morven Hills Runs and proposed surrender of the pastoral license thereof, I have to inform you that the Under-Secretary for Lands has advised me that the matter has been under the consideration of the Hon. the Minister of Lands, who, in view of the fact that the Land Commission has commenced its labours, one of the matters for inquiry being the dealing with pastoral lands in Otago, considers it advisable that no action in the direction of accepting surrender should at present be taken, he meanwhile declining to agree to the recommendation of the Land Board. The Under-Secretary also suggests that all matters in connection with the Otago runs be placed before the Land Commission on its arrival in Dunedin. I may mention for your information that the Commission will be in the vicinity of Morven Hills, *i.e.* at Pembroke, on the 11th and 12th instant, leaving there on the 13th for Cromwell *via* Hawea. Perhaps it would be well if your Mr. McWhirter were to meet the Commission at either of these places, or *en route*, and make such representations to it as you may deem advisable.

“D. BARRON, Commissioner of Crown Lands.”

I may say at once that this run does not belong to Dalgety and Co. (Limited). We are merely agents for the owners. I might here state that previously there were a number of other owners, but the losses on the station were so great that one by one they were glad to sell out their holdings to the remaining partners at a very large sacrifice, because for many years past they had to pay up the losses. The acreage of the run is 320,000, and the rent £2,750. It was formerly £4,500, and at one time it was between £10,000 and £11,000. That was the result of competition, and, as I have shown, resulted in very heavy losses.

379. What are you prepared to give as rent?—I have a letter I sent to the Commissioner of Crown Lands on the 5th January, 1904, after the snow-storm, in which I suggested £750 as rental and £250 to be spent on grass-seed, as a fair arrangement. The cost of rabbiting has amounted to a very large sum—for fourteen years it amounted to £58,010. It is the gross expenditure I have been giving. The average number of men employed during each year in rabbiting was 157.

380. *Mr. Johnston.*] What is the cost of rabbiting?—I cannot say. It varies during different years.

381. Do the skins balance the expenses?—No, not nearly. Sometimes when skins have been up to 2s. 6d. they have nearly balanced, but, as a rule, they average 1s. or 1s. 8d.

382. *Mr. Matheson.*] Do I understand that during good years the skins nearly balance the £4,000 expenditure?—In very exceptional years. The amount of winter country is a very small proportion of the country, and, unfortunately, the winter country has been very much deteriorated in late years. I think Mr. McWhirter explained to the Commission that on some parts of the run there is scarcely a blade of grass left—it is all covered with lichen; but on the shady side it is tussock. The great difficulty is the want of winter country. Although the area appears very large on paper the run is not easily worked. My own idea is that the only way would be to systematically grow some winter feed in order to keep the young sheep and the ewes in times of snow.

383. You have grown 300 acres of turnips this year?—That is nothing like what is needed. In order to grow winter feed in sufficient quantity we would first have to obtain water-rights, but until the authorities do something we cannot undertake the expenditure. It would be useless for us to cut races. In fact, we have no right to cultivate pastoral land.

384. You think you should get a reduction in rent, that the lease should be given to you for twenty-one years, and that an undertaking be given by the Government that they will not take any of the land under the Land for Settlements Act?—Yes, but we want more than that. We would require to be able to exchange the freeholds in order to be able to irrigate the land, and then the question as to improvements would have to be altered.

385. *The Chairman.*] As to the large loss of sheep in the winter, have you plenty of low land to work the thirty-eight thousand sheep on safely, and to carry them on through the winter?—If there was a very bad winter I could not say. Probably with more subdivision fences it would carry them a little safer.

386. What is the average clip up there?—I think, about 7 lb., but this year it has been exceptionally good.

387. *Mr. Matheson.*] When the lease was taken up on the last occasion was there public competition?—Under the Pastoral Tenants' Relief Act the rent was fixed at a certain amount, and a new lease of fourteen years was given to us.

388. But the previous lease was open to public competition?—Yes.

389. Supposing the Crown resumed the pre-emptive right and capitalised the value, and assessed the rent on the whole run with the irrigation block, and then put it up to public competition, would that be a reasonable thing to do?—Yes, provided the Act with regard to pastoral runs was so framed that we could get valuation for improvements for future work.

390. *Mr. Austey.*] We have heard some rather contradictory evidence about the Morven Hills Run. Perhaps you could tell us whether it would be suitable for dividing into small runs—not necessarily over small, but smaller than its present area?—Personally, I do not think it can. After the passing of Sir John McKenzie's Land Act some three runs fell in and were grouped, but no one bid for them, although offered several times. It was absolutely essential that some runs falling in during the following year should be retained. No one else bid for them. Then the late Mr. Maitland, Commissioner of Crown Lands, suggested we should take up the land under a temporary license, but we declined. He, however, pressed us, and eventually we took it up in that way.

391. Supposing the State were to acquire some of the land that is suitable, could it be cut out?—The low country I spoke of is a piece of the run.

392. It would largely increase the winter country if you irrigated it?—The area that is suitable for irrigation is comparatively small. I do not know that it would very largely increase the carrying-capacity of the run, but it would give us a stand-by in the case of a severe snow-storm so that we would not lose so many sheep.

393. Supposing all the advantages were taken of irrigation, could it not be reduced in size?—I do not think it could be subdivided in that way.

394. Regarding the right of cultivation on these runs, I understand that you have no such right?—No.

395. Can you see any reason why tenants holding these leases should be debarred from cultivating some of the land?—No, but there should be a regulation that any land broken up should be left in grass at the end of the term.

396. Provided there are strict conditions in respect to grassing you see no reason for restrictions as to cultivation?—No.

397. *Mr. Matheson.*] Would you restrict the tenant from selling the produce from the cultivated land?—Yes. I have here a statement drawn up by Mr. Sciffe, manager of the Mount Pisa Station, which bears upon the question of valuation for improvements. I will hand in the statement for the information of the Commission.

398. Have any of your clients done surface-sowing on runs?—Only to a small extent, but in Southland it has been tried rather extensively in the damper climate, and I understand it has been a success. In the case of runs in Central Otago it has been tried where there is sufficient moisture, and so far it has been very successful, but it has only been tried on a small scale.

399. What grasses have been used?—Chiefly cocksfoot and fescue.

400. Any dogstail?—I have not heard of any.

401. Could not those runs be improved considerably by irrigation?—No. In the particular case I am referring to there is a very small area that water can be taken to. I went carefully over it again about eighteen months ago for the purpose of seeing what land could be irrigated, and I saw that the area was very limited.

402. *Mr. Johnston.*] Was the reduction in rent made after the snow-storm in 1895?—Yes.

403. And in 1878 the land was rented at £10,000?—Previous to that I think the rental was about £3,500, but there was very great competition for the land, and many people got ruined by running up the rental of the runs.

404. What do you reckon the average expenses per head of merino sheep?—I cannot say.

## ALFRED DILLON BELL examined.

405. *The Chairman.*] What are you?—I am a runholder, and live at the Shag Valley Station. I have a leasehold run there. I am also a runholder in Central Otago. I have only a small run at Shag Valley, and my run in Central Otago is at Ida Valley. I only wish to speak as a runholder. The area of the run is about 70,000 acres. The lease was originally for fourteen years, and there are five years now to run. The rent is £794 a year. The run carries eighteen thousand merino sheep. There are only a few cattle about the homestead.

406. What do you wish to specially bring before the Commission?—To lay the position of the runholder before the Commission. I wish the Commission to understand, from a runholder's point of view, that the time has come when the runholders themselves think they have not received and are not receiving quite sufficient consideration, in view of their long settlement of the country. I may say, with respect to the Ida Valley Run, that it was held by my father before me and also by myself now for something like fifty years. During that time we have given up without a murmur the land that was required to be taken for settlement purposes by the Government and the Land Board, although thousands of acres of the best of the country has been disappearing, and we have been left with the poorer land. That is shown by the fact that the 70,000 acres which we now hold will only carry eighteen thousand sheep. From time to time we have lost blocks extending from 4,000 to 8,000 acres, and, as I have said, the land taken has been the very best. But there comes a time, from the leaseholder's point of view, when he feels that if this process of taking the land is indefinitely extended he must go. I think it is a fair question for this Commission to consider whether the runholder really ought, as a principle of public policy, to be made to go. If that is the conclusion arrived at, of course, it must be submitted to; but I think there are fair reasons to suppose that the runholders during all the time that the country was not alleged to be required for smaller settlement have been occupying the land and doing good work. I think I can say that every one who knows Central Otago must see that the runholders there are anything but rich men. We have, as I have said, given up our best land from time to time without a murmur. We have been compelled to remove our lambs and put them on country where we formerly put older sheep, and we have been compelled to graze our ewes on land that was before considered only fit for mountain wethers. In the meantime we have been, in our own opinion, fairly good settlers, though we have incurred the odium that was so well expressed by a gentleman who to-day gave evidence to the Commission. We have, as the law allowed, acquired a little freehold, and on that freehold we have fair homesteads, and have cultivated and fenced the land round the homesteads, and have done our best to make ourselves permanent settlers in the country, and in nine cases out of ten we have lived on our own properties. I may say that in my own case I have lived on my property all my life. The number of days I spend off my property in a year can almost be counted upon the fingers of my two hands, and that is the case with a great many of us. I may add that we do not live upon these places entirely in comfort and luxury. I cannot myself claim to be a "worker" as I heard a worker defined in the evidence given before the Commission to-day, because I never work more than fourteen hours a day if I can help it; but we have certain disabilities which we labour under. For instance, there are no schools near at hand, and that necessitates employing private tuition for our children. We have not also many of the comforts of civilisation; but we are willing enough to stand that. What I wish the Commission to understand is that a great many of us have been on the land from ten to forty years, and have remained there with perfect content, and we have not at the end of that time become wealthy men. Indeed, the best of us have, I may say, just been able to hold our heads above water, and during all that time we have had to endure seeing the best of our land disappearing from us in the interests of settlement, until now we are practically only left with the back country. Now the time has arrived when not only can the process I have described not be carried, generally speaking, any further without ruining us, but we honestly believe it cannot be carried out any further with advantage to the country, because if it is the case that we, who have lived frugal lives and who have done our very best and who have worked hard—if it is true, as I think you will find on investigation, that we have arrived at the present period of our lives without being rich men—it stands to reason that if the rest of our lives is to be devoted to making our living from our worst land while others hold the best of the country round about us, we have not, generally, got more land than is required for the industry. I recognise that settlement must spread, but I think that in Central Otago the time has arrived when the country will not be benefited by exterminating the squatter. We feel sure that in many cases smaller areas cannot be profitably held, and if the present system is carried on it must result in the extermination of the men who have been good settlers for the last half-century, and it will result in their extermination without any corresponding benefit to the State. In fact, it will be the reverse also to those who will succeed us when the land is divided. That is my honest opinion. Personally interested as I am, I do not expect my words to be taken as gospel, but I claim this: that at least I inherit from one of the founders of this country an absolute command never in my own interest to stand in the way of the necessary march of settlement. I have no sympathy with any squatter who comes here and says that he defies the march of settlement. I have never made any objection to any land being taken from me, although too much has been taken away from me already. At Shag Valley I have been driven to become a freeholder by the process of settlement, which has spread over more than 100,000 acres of country which I once held on lease, and all of which has from time to time been taken for smaller settlements, leaving me only 15,000 acres of mountain land under lease, upon which lambs cannot possibly be grown, because it was impossible to work the place without certain portions of it. I had to buy some land on the low country, or else the home which had been ours for many years would have had to go. That is the position of a great many of us to-day. I earnestly put that forward as a matter for the consideration of the Commission. Remember that when you take one of these properties and cut it up into small sections—and let us assume that I am wrong and that the State will benefit—the squatter who is situated on his little bit of freehold

in the desert, which for the last forty years has been bringing in a revenue to the State when no one else wanted it, and which but for the squatter would have been left to the rabbit—I ask you to remember that you will not even allow that man to take up 5,000 acres around his property, because residence on the leasehold is compulsory. The house is off the boundary, and therefore he shall not have a single acre, and the person who takes up the small run shall have the squatter's freehold for a song. It may have cost the owner £5,000 to £10,000, but it is absolutely worthless because the squatter cannot take up a single acre of land. I think, as a matter of public policy, that where you find one of these properties in Central Otago you should recognise that the owner who has been a good settler should be allowed a workable portion of his run, bearing some relation to the magnitude of his homestead buildings and plant, without competition, and at a fair rent to be fixed by the State. There is another point I would like to bring before you. In the country we have been speaking of there is a factory for the production of the merino sheep of New Zealand, and these small nests of the merino sheep are getting much smaller, and this is another question of public policy. I am not claiming to be entirely unselfish in the matter, but I sincerely believe that New Zealand requires to make provision against being compelled to import merino sheep from Australia. I believe that New Zealand requires to conserve a portion of that area where people like myself have given up the attractions of country suitable to the longwool sheep for country suitable for the maintenance of merino flocks. I had an instance of that where, this year, a man came to Ida Valley, Puketoi, North Burn, and those places, and took away an enormous train-load of merinos, stating that "we must have these sheep." That man is a good breeder and wanted the sheep to renew his flocks. In the papers we have already had hints of the necessity of renewing with merinos. The merino is necessary to the prosperity of New Zealand, and if the present close settlement continues in this district the merino will disappear and their place be taken by crossbreds and longwools. It is a question for you to consider as a matter of public policy whether, even supposing it is right to exterminate the squatters of Central Otago at one blow, and that by doing so the State will benefit—I say it is a question of public policy whether it is desirable to destroy one of the few centres of merino sheep breeding that still exist in this country, and so make us dependent on importations from Australia for successful breeding in the future. Frankly, the object of my giving evidence before you is for the purpose of making clear that a body of squatters and runholders in Central Otago and Canterbury are not the criminals we are represented to be; that we have fulfilled a good function in the past and should be allowed still to exist, even if our holdings must be still further cut down.

407. What is the altitude your country runs to?—The lowest point on Ida Valley, around the homestead, is 1,300 ft. It runs up to 3,000 ft. at the Rough Ridge.

408. Whilst making a plea for the existence of the runholders you made a remark which seemed to imply that Ida Valley Station might be subdivided somewhat, and that if so the law should be so altered that you who have been connected with it from infancy should be allowed to take up a substantial part of the run free of competition. Could the run be so subdivided?—Yes; I think a portion could still be taken off Ida Valley Station.

409. It was farming land that was taken away?—The first portions that were taken, some 8,000 or 12,000 acres, grew crops and sheep. The remainder that was taken, some 12,000 acres, was for small grazing-runs.

410. If the run was taken from you the extensive buildings you have on the homestead would be of no value to you?—No. We once carried forty-three thousand sheep on the run, and now are only able to carry eighteen thousand, so that already the buildings and plant are beyond requirements.

411. *Mr. Hall.*] You hold that the Government should carefully consider the matter before encroaching on the runs or taking any action that will make the run valueless?—Any action to the extent that will make the run valueless.

412. Fixity of tenure and a legal tenure should be given in future?—Yes.

413. It has previously been put before us that there is a necessity of having merino sheep bred in the colony for the sake of keeping up the status of the flocks: you affirm that?—Certainly.

414. Merino sheep can only be bred to advantage on the high country?—Yes; and you are quite aware that when a large holding becomes several small ones the merino sheep disappear at once. Small owners, quite rightly, invariably turn to the longwools.

415. *Mr. Anstey.*] Generally speaking, the cutting up of runs in Otago has about reached the economic point?—Precisely.

416. Would the large runs like, say, Ida Valley maintain as many individuals at the present time as they would if cut up?—If I answered that question honestly I would be held to answer very dishonestly. I say Ida Valley would not carry any more men than it does now. I have married men in my service there and where I live who have been with me for thirty years. They have lived on the place, and their families have grown up on it, and in some instances have taken service with me, and these people and all the other hands are threatened with the extinction of their employment if the run was extensively cut up. I believe that those places will not successfully carry the number of people that they do now or pay the amount of wages that is now paid.

417. Did the taking-away of the low country from Kyeburn Run affect the carrying-capacity of the run?—That run used to carry sixty thousand sheep; it now carries sixteen thousand.

418. None of the high country was taken away?—None. Kyeburn was ruinously dealt with.

419. The carrying-capacity was reduced without any advantage?—That is so. The rent had to be very materially reduced too.

420. Have they done any grassing at Kyeburn?—If you held a grazing-run at Central Otago you would hardly ask that question. It is impossible to make improvements where any improvements you make reduces your chance of getting that country again. I have myself no experience to give in reply to that question.

421. If better conditions of lease were given you do you think it would be worth trying, and

trying to advantage?—If such an offer were made to me the first thing I would do would be to carefully re-examine everything I own, with a view of seeing whether any such experiment was possible, and, if so, I would carry it out with the greatest pleasure, providing that such improvement would not be the means of cutting my own throat afterwards in the matter of my lease.

422. Is there any Californian thistle on Shag Valley or Ida Valley Stations?—I have never seen it on Ida Valley, but I have seen a few bits about Shag Valley.

423. Any ragwort?—I have never seen it except in Southland.

424. Have you ever known Central Otago settlers sow cleanings from seed-cleaning machines?—No.

425. Has the carrying-capacity of Otago generally been decreased as regards sheep?—Very much.

426. *Mr. Matheson.*] You have given Mr. Johnston an answer with regard to the carrying-capacity of the places if cut up: supposing on Ida Valley you were left with an area for carrying merino and the remainder was cut up, would the products exceed the present products in value?—No. My conviction is that it would not do so, for the reason that merinos require a considerable range in order to produce the best results. From the experience of our neighbours having small holdings alongside us, we do not believe that the sheep with the small range can produce at the same rate as on the large runs.

427. Do you think the length of lease satisfactory?—Yes, if unbreakable for twenty-one years it would be satisfactory.

428. You want to be able to say that the land is yours for twenty-one years?—Yes.

429. At present you are liable to interference by closer settlement?—Yes. Where further deductions from the runs are required for settlement I urge that the present occupier should be offered a lease of a substantial part.

430. Under a twenty-one-years lease you would get fixity of tenure?—Yes. We look upon it as a grievance that as soon as we are displaced the people who come on in our place are given an unbreakable lease, which is denied to ourselves.

431. It was pointed out by one witness this morning that a certain run—Patearoa—was cut up into small grazing-runs, and the total rental was less than previously for the large pastoral run?—That has also happened to me.

432. A large portion of country has been taken at Shag Valley and settled: generally speaking, is that a prosperous settlement?—There are a good many on it, but I would not like to say that they are all prosperous or are not all prosperous. I think the best answer to your question is that there is no conspicuous prosperity, and the rents are less than I gave for the run as a whole. A great many of them are now personal friends of mine, and I employ them as musterers, and so on. I do not think they are making a great deal out of the properties. They come to me and do shearing, mustering, harvesting, and so on, to this day, and therefore I do not think they are men whose holdings independently maintain them.

433. You would not say that the closer settlement has been a failure?—I would not like to say that. It has surrounded me with a lot of fellows that I like, and would miss very much if I lost them now.

WILLIAM LINDSAY CRAIG examined.

434. *The Chairman.*] You are District Land Valuer for the Government?—Yes. I commenced valuing in 1882, and I have been District Valuer since the inception of the Government Valuation of Land Act eight years ago. Previous to that I valued for the Government for land and property tax.

435. You have a great knowledge of the country?—Yes.

436. Are the values going steadily up all over the district you are working in?—On first-class land there is a considerable rise in value, on second-class there is a moderate advance, and on poor country there is little or no advance.

437. Are there many appeals from the increases in valuation by your Department?—Recently I valued from Taieri River to Owaka, and from Waipori River to Lovell's Flat. There were in all about fifteen hundred assessments of farms and town lots, and the number of appeals were about thirty, and many of these were simply adjustments as between the value of the land and the value of the improvements. I may also say that last year I revalued the whole of Otago Peninsula. In that case there were about sixty objections to the valuation, but no one appeared at the Court. Two objectors came, but they were too late.

438. What is the percentage of increase on the unimproved value, say, for a period of five years?—For first-class land 25 per cent., second-class land about 15 per cent., and probably little or none for third-class land.

439. *Mr. Anstey.*] Is there any bush land in your district?—Yes, in South Molyneux and on the Peninsula.

440. What increase, generally speaking, is there in the unimproved value of bush land?—Some of it has gone back. In South Molyneux a good many, after clearing a considerable area, have found that the land goes back so quickly to scrub again that they have abandoned it.

441. In what way do you value the improvements when the land has gone back to scrub?—I take the improvements at the selling-value at the time of the visit. We consider not the cost of the improvements, but what those improvements would sell for along with the lease.

442. Let us assume that a man has felled bush, and, say, the selling-value of it is £2 an acre: you go back again and find that it is all grown over with scrub?—We would have to write it down then. I know one case where it cost £2 an acre to fell the bush and another £1 an acre to sow, log, and so forth, and that country is now practically in its natural state again.

443. In the case of a highly improved and well-farmed bush section which was originally under heavy bush twenty years ago, how do you ascertain the value of the improvements on it?—



We have to go a good deal by the general appearance, and, of course, we take into consideration the nature of the surrounding bush.

444. A good deal of it is guesswork?—Yes, in that class of valuation.

445. It is quite possible that a man might put improvements on his land that are not recognisable twenty-one years afterwards?—You cannot tell exactly. You go by the evidence of the people and the unimproved land surrounding it.

446. Some people say they must have the freehold in order to have secured to them the full value of their improvements: your evidence practically confirms that point of view?—It would be very difficult indeed to arrive at the full value of the improvements. It just occurs to me now that there is a proposal on the part of the Advances to Settlers Department to lend up to three-fifths of the value of improvements. I do not consider that would be quite safe. Of course, it would be guarded against in this way: that the valuer would be more guarded in his valuation, and in that way it might not act so much against the Department as it would appear. In the case of a cleared section which may have cost £3 an acre to remove the bush and grass it, where we see indications of scrub coming and we know that by a little neglect on the holder's part the value will go back again, we safeguard against that in the valuation.

447. In other words, it is not wise to lay down a percentage of improvements. There ought to be different percentages for lending on for different improvements. It would be quite safe to lend up to three-fifths on fences, or, say, a good house?—No. I have known a house that cost £200 in five or six years become almost worthless through the wood-borer, where the house has been built of white-pine.

448. You think a half is sufficient to lend up to?—Yes.

449. *Mr. McCutchan.*] Are your valuations always taken by the Advances to Settlers Department?—We always make a valuation at the time the loan is applied for.

450. Are these loans not sometimes applied for for the paying of improvements already on the ground? Say a man is putting up a house. He is pretty confident of getting an advance, and he proceeds with the work, but nothing is paid for. He applies for the advance, and the valuer goes there and sees the house. In that case, can a man get an advance up to more than one-half?—In some cases men have applied for advances to build a house and the Department have agreed to lend, subject to getting a receipt from the valuer that the house had been erected costing a specified sum of money.

451. That is on all-fours with the case of the house being there?—Yes.

452. Is there any scale of price in regard to bushfelling and grassing?—We examine very carefully that class of improvements, and it varies very much.

453. What value do you usually allow for bushfelling?—That varies according to the class of bush—from £1 to £3 per acre.

454. Where the country goes to scrub you write down the value of improvements?—Yes.

455. In that case the proportion of the unimproved value has increased largely?—No; the unimproved value remains and the improvements are reduced.

456. Do you find that the scrub coming through is largely the fault of the settler in not stocking judiciously?—Even in the case of a good settler there is a difficulty in regard to scrub. The climate is wet and you can seldom get a clean burn.

457. Are you satisfied that the unimproved value is a thing that can be clearly defined, or would you say that the capital value was the sounder basis?—By taking the value of the section and the selling-value of the improvements and deducting the one from the other you get the unimproved value.

458. You have just been showing us that the value of a great many improvements vanishes not merely in fact, but they vanish from sight and yet remain. There are improvements which may be effected and yet in future years are unseen, though they still remain?—You cannot arrive at that very definitely.

459. Do you think the unimproved value is a satisfactory rating basis, or do you think it would be sounder to tax on the capital value?—I think on the capital value is the fairest for local rates.

460. *Mr. Paul.*] Can you give us an idea of the rise in value on Otago Peninsula in five years?—About £117,000, I think, was the increase from the previous valuation seven years before. That is, on the capital value.

461. What would be the percentage of increase on the unimproved value?—Speaking from memory, I should say about 20 per cent. Of course, it is greater nearer the city, and further away the increase is very slight. I may mention that when bush country on the Peninsula is cleared now it comes up mostly Canadian thistle.

462. You do not say it is impossible to value improvements?—No, but there is a certain amount of guesswork in valuing improvements done twenty years ago.

463. Is it not possible to keep an annual inventory of improvements?—Not on every farm all over New Zealand. It would require an army of valuers.

464. But you revalue the land very frequently: what is to prevent you making an inventory of improvements and their value on a farm now and at a subsequent revaluation?—That is what we do now, but it takes me all my time at present, and I have to get assistance sometimes for revision work. If we had to do each farm more frequently than now it would require more time to take a very close inventory annually.

465. You think it could be done satisfactorily?—Yes.

PALMERSTON, WEDNESDAY, 29TH MARCH, 1905.

GEORGE CLARK examined.

1. *The Chairman.*] What are you?—I am a small grazing-run settler at Macrae's, about thirty miles from here. I have 3,300 acres, and I have held them about ten years, and I am paying about 8½d. per acre. In addition to that area I have about 1,200 acres, partly on freehold and partly under perpetual lease. I carry about eighteen hundred sheep on the whole place. I have no cattle. I cultivate about 30 or 40 acres in turnips every year. My small grazing-run lies from 1,600 ft. to 2,000 ft. above sea-level, and my other country about 1,500 ft.

2. Do you suffer from the snow much?—Yes, a bad snow-storm takes the sheep down very considerably. The snow lies a good while. Of course, my death-rate is heavier in the spring, because the sheep do not actually die in the snow-storm. My death-rate is very high. I run a thousand to thirteen hundred ewes, and I lose fully two hundred every year, and sometimes three hundred. My percentage of losses ranges from 16 to 25 per cent.

3. Do you require to buy sheep to keep up your stock?—No, I have not required to do so so far. With bad lambing and heavy mortality I cannot sell, that is all.

4. What breed of sheep have you?—Halfbreds. My average clip is perhaps up to 5½ lb.

5. Is there any particular point you wish to bring before the Commission?—I want to state that my rent is too high. On the one side of my land there is a small grazing-run held at 4d. per acre, and on the other side there is another one at 5d. per acre. It is very much the same country as mine, and it was taken up at the same time as mine, but the tenants surrendered and got a reduction. I did not surrender. It is a good few years since they surrendered.

6. Did you not think of doing the same?—Yes, but I did not want to lose my run, to tell the truth. I have a run adjoining it and I manage to pull through. What I want is that the Commission, if they can see their way to do so, should recommend that discretionary power should be given to the Land Board to reduce rents where they are excessive.

7. Is there any other point?—I might mention that the country has been revalued by the Government valuer perhaps two years ago. The capital unimproved value I am paying rent on is 15s. per acre, but the unimproved value as now put by the Government valuer is 10s. per acre, and I am still paying rents and rates on 15s. per acre.

8. *Mr. Anstey.*] Have you grassed any of this small grazing-run?—No.

9. Do you think it would be practicable or profitable to do so?—In some places it might, but in other places the country is too bare and dry.

10. Have you any reason for not trying surface-sowing?—I have no particular reason.

11. Would it be necessary for you to get some encouragement in the way of security of tenure or a renewal of lease to sow grass?—I would if they would give valuation for improvements of that kind.

12. Supposing you got valuation for your improvements would you then grass?—Certainly, if I got encouragement.

13. If you surface-sowed the rough country would it increase the carrying-capacity of the country?—Yes, where surface-sowing would take.

14. Suppose you did it where it was profitable to surface-sow, would that stop your heavy mortality?—It is high country, and I believe the native grasses stand the winter-time better than any other grass one could sow. Of course, the English grass would be better food in the summer.

15. Have you any wish to acquire the freehold of your section?—I think it would be better if one could acquire the freehold.

16. Would you like to have the right to purchase?—Yes.

17. Based upon your present rent?—No, because my present rent is undoubtedly higher than the value of the land. If I wanted to acquire the land I think the Government valuer's value would be about the thing.

18. Supposing a man was holding a leasehold and the rent was cheaper than the value of the land, and he wished to make the place freehold, on what terms should he get it?—I think, upon the value of the land.

19. You said you wish the Land Board to have power to reduce your rent?—Yes.

20. Do you think if the Land Boards should reduce the rent when it is too high that they should also have power to increase the rent when it is too cheap?—I suppose a Fair Rent Bill would cut both ways if one was passed.

21. Would you be in favour of a Fair Rent Bill?—I always have been. That is one reason why I hung on so long to my ground; I always believed one would be passed.

22. In the event of your surrendering your run, what becomes of your improvements? Do you get full value for them?—We are supposed to, I think.

23. *Mr. McCutchan.*] Are you in favour of a Fair Rent Bill in reference to these small grazing-runs only? Is it in reference to your own particular circumstances that you advocate a Fair Rent Bill?—No, because I thought it would be fair to the tenants.

24. Do you think that a Fair Rent Bill and periodical revaluation would be fair to a man who had a lease-in-perpetuity section?—I do not know about that. That is a question I have never thought out.

25. Do you advocate a Fair Rent Bill because your small grazing-run is valued too high?—Or if it was too low I would not object to pay a fair price.

26. Suppose you were under the same circumstances as the tenants of the colony with 999-years leases, would you then think a Fair Rent Bill fair?—That is a question I have not gone into.

27. You have a perpetual lease?—Yes.

28. You have the right of purchase with it?—I had, but I do not think I have the right of purchase now.

29. We will suppose you take up a perpetual lease with the right of purchase between the

sixth and twelfth years at a certain price, do you think it would be fair to interfere with the purchasing price in any way?—I think it ought to be purchased at about the fair value of the land.

30. Irrespective of the purchasing clause that has been fixed?—I think so.

31. You advocate reduction in rentals without surrender—in other words, that the Land Board should have the right to revalue?—Yes.

32. Do you think it would be advisable for the tenant to have the right of nominating one person to act for him and the Land Board to nominate another, and these two to appoint an arbitrator?—I think that is a fair way.

33. You think that is preferable to leaving the matter entirely in the hands of the Land Board?—Yes.

34. Are you satisfied with the constitution of the Land Board?—I have nothing to say against them. I have always found them very fair.

35. You think the system of nomination the best system?—I do not know exactly. I have not studied out that question.

36. In speaking of your own land you said it was valued at 15s., and that you are paying rates and rents on that sum?—Yes.

37. And the Government valuer's value is 10s.?—Yes.

38. Do not the County Council levy the rates annually?—The rates are fixed on the annual rental and cannot be altered.

39. Is not the Government valuer's valuation taken by the County Council?—It does not affect my rates at all. I went to the Assessment Court about it, and they told me they had nothing to do with the matter. They told me the rates were fixed by statute according to the annual rental.

40. What statute?—That was the statement made to me.

41. *Mr. Paul.*] I suppose your opinion on revaluation is formed because you see the justice of reducing a man's rent if it is fixed too high; increasing it if it is fixed too low?—Yes, I believe in a fair rent, undoubtedly.

42. You think that is an equitable principle?—Yes.

43. Is your property part of what was once the Shag Valley Run?—Yes.

44. How does the rent you pay compare with the rent the previous owner paid?—I cannot tell you.

45. A good deal of country has been taken from the old Shag Valley Run: has that country been settled successfully, and are the settlers prosperous?—I think they are fairly prosperous.

46. In regard to the option of the freehold, do you not think it would be fair to put the option up to public auction?—No. I think if a fair price was fixed the tenant should have the first chance of it.

47. Why?—Because he has worked there and spent a lot of his time in making improvements, and if he is a suitable tenant I do not see why he should be put out to make room for another man.

48. In dealing with pastoral country it has generally been the custom to give it to the highest bidder. Now you propose to sell this pastoral country, and do you not think it should also go to the highest bidder?—It has been found that the selling of Crown lands by auction in the past did not work very well. They were run up to beyond their value.

49. Are not a lot of other things that are sold by auction run up to beyond their value?—I suppose so.

50. You do not advocate the abolition of the auction system altogether because somebody gives more than a thing is worth?—No.

51. Does it not seem to you that the national property—the State lands—are fair game, and that people think they should get them at as reasonable a value as possible?—Yes.

52. *Mr. Forbes.*] What is the length of your small-grazing-run lease?—Twenty-one years, with the option of renewal after revaluation.

53. How did you come to take up this section if the rent is too high?—It did not take the stock I thought it would. I miscalculated its capacity. The land is not what I thought it was.

54. If it had turned out better than you thought it would do, would you have been willing to give the Government extra rent during this time?—I would not have asked them to reduce it, at any rate.

55. Do you not think that a bargain is a bargain, and that if you had bought this place outright as a freehold and found you had made a mistake, there would be very little chance of it being rectified?—There would be no chance of getting it rectified.

56. *Mr. Matheson.*] If your place was put up to public competition now, do you think it would fetch the rent you are paying?—It would not.

57. *Mr. McCardle.*] Have you had some experience of surface-sowing?—Yes.

58. What does it cost per acre?—It all depends on the grass. I never went closely into the question, but for permanent grasses some kind of fescue would be necessary.

59. Or cocksfoot?—Cocksfoot does not do well because the ground is too dry. Clover would not do well either. There is no moisture.

60. Would it cost 10s. per acre?—Yes.

61. That would mean extra rent in the shape of interest to the extent of 6d. per acre?—Yes.

62. Do you think the land would pay you, even if the sowing was fairly successful, at another 6d. per acre?—I do not know that it would.

63. Have you given the question of a Fair Rent Bill very close consideration, or have you only given us your opinion on the spur of the moment?—I think a Fair Rent Bill would be fair to all parties concerned.

64. I understand that a good deal has been made of the fact that Crown tenants are proposing to break their contracts. In your case you are supposed to be making a request that means a breach of your contract, but I view the case in this way: a mistake has been made by the landlord and by the tenant, and in order to make the occupation of that run fair you ask for a rebate of interest. Is there anything out of the common in that?—No.

65. We have quite a number of people settled on the land under 999-years leases, and, according to your theory of a Fair Rent Bill, you would ask these men to undergo a system of revaluation at stated periods: do you think that would be a fair thing on the part of the State?—It should have been put in at the beginning of the contract, of course.

66. You have men taking up the freehold at £1 per acre, and a man under lease in perpetuity gets a 999-years lease and he is paying a fair percentage on a capital value also of £1 per acre—the freeholder stands free of any revaluation, but his unfortunate neighbour is to be subject to revaluation from period to period: do you think that is fair?—Not when you put it like that.

67. To carry your argument to its final conclusion, should not a Fair Rent Bill be made to apply to both leaseholder and freeholder, in order that it may deal fairly and equitably to all parties concerned in land-settlement?—I do not see how you could apply a Fair Rent Bill to freeholders.

68. You say, then, it would not be fair to revalue a leaseholder?—I say when a man is paying too high a rent and he cannot live at that rental, he ought to get a reduction. It simply means that there must be a revaluation.

69. Do you not think it would be fairer, instead of bringing in a Fair Rent Bill which would be one-sided, to grant extended power to the Land Board to grant a man a fair remission of rent if he has made a mistake?—That is exactly what I want.

70. Then, from your point of view, you do not approve of a Fair Rent Bill?—No, if that would meet the case.

71. *Mr. Paul.*] In reply to a question you said that if your land was put up to auction you are quite sure no one would give the same rent as you do?—Yes.

72. Then, why do you hesitate about surrendering?—Because it would be put up at a much lower rental than I am paying, and people would go for the lower rent. But nobody would go for it at the rent I am now paying.

73. And you say you should be able to come to some mutually satisfactory arrangement with the Land Board?—Yes.

74. *Mr. Anstey.*] If it was put up at a lower rent would it go by ballot or by auction?—By ballot.

ARTHUR HECKLER examined.

75. *The Chairman.*] What are you?—I am practically a farmer in the Waikouaiti district. I am interested, with eight others, in several lots of land. Three of us hold a small grazing-run of about 600 acres. We are interested as executors in our father's estate of 2,300 acres freehold and about 592 acres under perpetual lease. Besides that, we hold 40 acres of educational reserve. In a good season we carry about two thousand sheep and about fifty head of cattle and a few horses. We cultivate a good deal of grain and root crops on the freehold land for home consumption. Our small grazing-run has a good deal of snow in winter, but it does not lie long.

76. What is the point you wish to bring before the Commission?—I may say that three of us were appointed by the Farmers' Union at Waikouaiti to meet the Commission. I have to apologise for the non-attendance of the other gentlemen, who are busy harvesting. I may say that the union practically gave me a free hand, so that the opinions I express are my own. In regard to Land Board appointments, I think that invariably good men have been appointed, but I think that the Crown tenants should be represented on the Land Board. I would suggest that the Government should appoint three members and the Crown tenants appoint one.

77. You would alter the constitution of the Board to that extent?—Yes. In regard to land-tenures, I believe that Crown tenants should have the right to purchase.

78. Do you mean in regard to all leases issued by the Crown?—Yes, all tenants, bar educational-reserve lessees. I think deferred-payment and perpetual-lease systems are the best tenures for the settlement of the country. I also believe that there should be revaluation, say, every twenty-one years.

79. Would you give the tenant the first offer of renewal?—Yes. I think that the tenants should make their holdings freehold, and I think it is both fair to the tenants and the State that there should be revaluation. In regard to the restrictions imposed on Crown tenants, I think that the residence conditions should not be too stringent, and I would let people in business and offices hold sections, as they would probably hold to their business only until their sections and stock were clear of mortgage, &c., and then they would become good settlers.

80. You would enforce conditions of improvements, but not of residence?—That is so. In regard to the conditions of climate, I should open up country so that anybody taking up low-lying country would have to take up a certain amount of high country with it. I have not had any experience of the homestead privileges, and therefore cannot express an opinion. I think that the ballot system is very satisfactory.

81. Are you aware of the working of what is called the second ballot?—I do not know it. I have tried for sections once or twice at the ballot, but I have not been successful. In regard to the question of loading lands for roads, I have not had any experience of that system, but I think that all roads should be a colonial charge. I refer to the original formation of them.

82. Of course, maintenance would be a local charge?—Yes.

83. What degree of construction would you require the Government to do in the first instance?—Formation only. I would leave metalling and maintenance to the local bodies. I think that the Advances to Settlers Department is a grand system. I have had no experience of it. I think that Crown tenants should get every chance to use it. In regard to the condition of occupiers, I think that the freeholder would work his land better than the leaseholder. I believe there are some leaseholders whose sections are farmed just as well as freeholders'; but I think that on the whole the freeholder will husband his farm to the best advantage. In regard to the aggregation of large estates, I do not think that is going on in our district. A settler may have bought out his neighbour to make his own section a little larger, but that has not gone on to any extent.

I think some of the sections were cut up rather small in our district. I dare say 200 acres would be the average size of the agricultural farms. I would not give the right of the freehold to the educational-reserve tenants. I think all tenants of the Crown and of educational and other reserves should get a liberal valuation for improvements, including drains, grasses plantations, &c.

84. *Mr. Anstey.*] Can you give us any reason why the tenants on education reserves should not have the same right to acquire the freehold as all other Crown tenants?—I think the land was set apart for a certain purpose, and I think it would be right to stick to it.

85. Are you aware that the revenue from all the primary-education reserves is simply paid direct into the Consolidated Fund and not applied specially in any way, and that the capitation grant is paid out of the Consolidated Fund?—I was not aware of it.

86. Now that you are aware of it do you think that the one set of tenants should be treated differently from the others?—It might be right enough.

87. You think it would be perfectly right to give you the right to acquire the title to your Crown land, but not to your education-reserve lease?—That was my idea.

88. You say you are in favour of revaluation every twenty-one years for renting purposes?—I think that would be a fair thing, both for the State and the tenant.

89. Would you apply that to the lease-in-perpetuity tenants as well?—I think I would.

90. Would you be in favour of giving the holders of educational-reserve leases valuation for improvements as well as Crown tenants?—Certainly.

91. Would you be in favour of passing a law compelling the administrators of these reserves to give tenants valuation for improvements?—Yes; I think they are going to do it.

92. *Mr. McCutchan.*] In speaking of Crown tenants having the right to elect one member to the Land Board, upon what suffrage would you give them that right?—On a suffrage confined to themselves. I see the doctors elect one member to the University Council, and I do not see why the Crown tenants should not have the same right.

93. You advocate that Crown tenants should have the right to purchase, but you do not make it quite clear on what terms you would give them that right?—On a revaluation.

94. Do you understand the present right-of-purchase lease: you get a lease for twenty-five years, and from the tenth to the twenty-fifth year you have the right to purchase. When the tenants take up that lease a capital value is put on the land: would you alter that capital value?—I believe it would be fair to have a revaluation, say, every twenty-one years. Of course, if the tenant bought after twenty-five years there would not be much difference.

95. But would you give the right to purchase at the initial cost plus the improvements, which of course, belong to the tenant?—No.

96. Why would you not give the land to the tenant at the original price?—Because it might have gone up in value a great deal since it was let. The land is increasing in value every day.

97. But do you not think that the tenant is instrumental in producing a large amount of that increase?—To a great extent, certainly.

98. Would you not conserve that to him?—If the Crown tenants get a liberal valuation for improvements they would be covered.

99. In the case of bush lands how will you arrive at that valuation, because a number of improvements are not visible after a few years?—If the tenants were allowed to appoint an arbitrator and the Government appointed one the valuation could be arrived at in that way.

100. But neither of the parties might have a record of the history of that farm back to the time it was taken up as rough bush, and their award would be valueless, because the information would not be available for their guidance. Do you think that under your system practical men would go back and endure the hardships and disabilities of back-country life?—I think a good settler would if he got liberal valuation for improvements.

101. You say you would relax residence conditions in order to allow business-men to take up land and make improvements?—Yes.

102. Would you insist that they should go on the land and reside on it after a number of years?—Yes; I would say after five or six years perhaps.

103. You think loading is unfair, and you advocate roads being a colonial charge up to the point of road-formation: you think metalling should be a local charge?—Yes.

104. How would you finance that?—There is a certain amount of "thirds" and "fourths" coming from these lands.

105. You know they are not "thirds" and "fourths" of the capital value, but of the rental, which really amounts to a very small sum, and this metalling is a very expensive business in the North Island—in some of the back-country districts it runs into £1,000 per mile?—I have not had much experience of the North Island.

106. Do you think that would be a feasible scheme, and that settlement and making the country reproductive would be possible if the metalling of the main arterial roads was made a local charge?—I believe it would.

107. *Mr. Paul.*] I suppose you think if these education endowments had not been set aside our total sum for education would not be so much as it is at present?—That is what I think.

108. It does not matter whether it is put into the Consolidated Fund or not so long as we have a large expenditure on education?—Yes.

109. Do you think the present restrictions on Crown tenants are too stringent?—In my experience of the Land Board, they have never harassed the settlers much by their Inspectors or Rangers.

110. Would you exempt the town people from residence under all the systems of leasehold?—Yes.

111. Do you not think in the case of the purchased estates one factor in the success of that policy is getting such estates settled immediately?—I suppose it would be.

112. If the majority of the holders happened to be townspeople, and they did not go and settle on the estate, would that not handicap the rest of the settlers?—I do not see why it should.

113. Supposing they wanted to establish creameries and schools, and so forth?—The town holders would doubtless have somebody on their sections to manage for them.

114. You think your scheme could be carried into practical effect?—I think so.

115. Do you mean to say that farming is better done on freehold than on leasehold?—I said there were good farmers on both, but, as a rule, I think the freeholder looked after his resources better.

116. Do you see any reason why a freeholder should be a better farmer as compared with a lease-in-perpetuity holder?—He knows he is working perhaps for his family, and he will not take any more off his farm than it will stand.

117. Who would the lease-in-perpetuity holder be working for?—I suppose under a 999-years lease he would be in the same position as the freeholder.

118. I understand you to say you are in favour of a revaluation of these leases?—Yes.

119. *Mr. Hall.*] Would it not answer the purpose if the County Councils had the nomination of one member of the Land Board to represent the Crown tenants, and so save election expenses?—It might answer the purpose.

120. Do you mean that the right of purchase should be made retrospective and to apply to existing leases?—Yes.

121. You think settlers require an incentive to go back to the rough country to reclaim and settle the land, and you think that the freehold would be an incentive?—I think so.

122. Would it be fair to the country for the Government to purchase large estates with a view to breaking them up, and then sell these estates again?—You could have restrictions to prevent the aggregation of large estates.

123. When these estates were thrown open for selection many people may not have applied for them, because they did not care for the leasehold tenure. Would it not be fair, then, if they are to be offered under a new tenure with the right of purchase, that they should go up to public competition again in order to give everybody an equal chance?—If the tenant got liberal valuation for improvements the section could go to auction.

124. You think the land should not be loaded for roads?—No.

125. Would you make that apply to land under the Land for Settlements Act?—I think so. I think the roading should be made a colonial charge.

126. If the tenants get the land at the actual cost of purchase, and if the roading is done in addition, that is also part of the cost, and should be included in the value fixed?—Yes.

127. You think that in the case of town residents, mechanics and others, who have saved money and who look forward to settling on the land, that the residence clauses should not be strictly enforced?—Yes.

128. That is, provided they make substantial improvements?—Yes.

129. The terms should be greatly extended?—Yes.

130. *Mr. Forbes.*] Following up the question about the settlers from the towns going on to these lands, do you not think the first thing is to consider the settlement of the land, and do you not think that we want people with experience?—Yes.

131. You know that in the case of an estate being cut up there are large numbers of applications, and a certain amount of discrimination is now used by the Land Boards as to the financial position, &c., of the applicants. You think that genuine settlers who wish to get a piece of land and earn their living on it should have consideration for persons from the towns?—You might do that, but I think I would let them have all the same consideration.

132. You would not give them any preference over those townspeople who are not prepared to go on the land for some years?—Some townspeople might make just as good settlers as the others, but there is reason in what you say.

133. What is the membership of the Farmers' Union in this district?—About sixty.

134. Did you have a meeting and pass these resolutions?—No; but we had a meeting and two others and myself were appointed to give evidence.

135. Were you instructed about the answers you were to give with respect to some of these questions?—Some time ago a resolution was passed that the Crown tenants be allowed the option of obtaining the freehold.

136. Was that resolution passed by the executive or by the members of your branch of the union?—There are twelve or thirteen Crown tenants who are members of our union.

137. Did they give any reasons why they wished the freehold?—Every settler we have in the Waikouaiti district signed the petition to the House of Representatives that they favoured the system of giving the option of the freehold.

138. Do these men hold lease-in-perpetuity sections or small grazing-runs?—All sorts of tenures.

139. Have you amongst them many holders of lease-in-perpetuity sections?—I could not say, but there are about twelve Crown tenants.

140. Do you not think that a man holding a lease-in-perpetuity section has as much security as a freeholder. He holds the land for 999 years, and he has it at a 5-per-cent. rental on the capital value?—That is so.

141. You can quite understand that a man holding a lease-in-perpetuity section is in a much different position to the man holding a twenty-one-years lease?—Yes.

142. *Mr. Matheson.*] Do you think it would be reasonable in the case of the townsman to make a rather higher charge in the matter of rent so long as he is non-resident?—Yes, that should be done.

143. *Mr. McCardle.*] Are the views you have expressed the views held by your branch of the union. For instance, in reference to the revaluation question?—No; that is my own opinion.

144. Do you know what the feeling of your branch is in connection with revaluation?—I could not say.

145. As to revaluation under the Land for Settlements Act, would you have revaluation in their case, or only make it apply to those who are anxious to break the present contract and have the right of purchase?—I would make that apply to all.

146. You would break the solemn contract the Government has entered into with these settlers for 999 years?—Yes.

147. Do you not think you would carry it a little further and say that every freeholder shall be treated in the same manner?—I do not know.

148. If the State enters into a contract with settlers who take up land under the Land for Settlements Act, is it a right thing to break that contract? Is that your sense of political honesty?—The Government could let no more land under the lease in perpetuity.

149. Is it not a fact that you have hardly studied this question sufficiently before giving an opinion to the Commission?—I have not had much opportunity of studying the question.

150. *Mr. Paul.*] You advocate that the Crown tenants should be allowed to break their contract with the State and get the freehold, but you would except education-endowment tenants?—Never any revaluation.

151. But you advocate the option of the freehold to all Crown tenants?—Yes.

152. That is a breach of contract, is it not?—I dare say the Government could find ways and means of doing that.

153. But revaluation in the case of the lease in perpetuity would be a breach of contract if applied retrospectively?—Yes.

154. Do you not think it would be better to apply that principle in the future, and let the present State tenants abide by the contract they have entered into?—Perhaps that would be a better way.

155. Are you not helping them at the present time to break the contract and give the option of freehold?—Yes.

CHARLES MCGREGOR examined.

156. *The Chairman.*] What are you?—I am a settler, and have been here for forty-seven years. I hold 550 acres of freehold. It is an agricultural farm, and I engage in mixed farming. I keep sheep, cattle, and dairy cows, and grow wheat. My farm is about three miles from Palmerston.

157. Is there any particular point you wish to emphasize or bring before the Commission?—I think that every man ought to have the right to get a freehold—Crown tenants and every one else.

158. What do you think of the lease in perpetuity?—I do not think it is right. It is too long a lease, and one man will not see it out. The Government we have been having has been so shifty lately that the legislation might be all repealed in the meantime. They have been taking freeholds from the people, and I do not see why they should not take the leasehold.

159. I do not think they are likely to do that. It is a contract that has been entered into?—Yes; but we bought our land at so-much per acre, and the Government have taken many estates against the will of the owners. Was not that breaking the contract.

160. What is your opinion with respect to the constitution of the Land Boards?—I agree with the present constitution of the Land Boards, but they have not as much power as they ought to have. They have to go to Wellington for every scratch of a pen, and the recommendations of our Land Board are ignored.

161. Have you had any experience of pastoral country?—Very little.

162. Can you say if there is any aggregation of estates going on here?—No. All our estates are too small, and every one is satisfied to hold on to what he has got.

163. Is land going up in price here?—Yes.

164. To what do you ascribe that?—To the good markets—to the outside markets chiefly. We are getting good value for our produce.

165. Really, it is the London market that fixes it?—Yes, that is so.

166. And then there is the convenience of the railways, telegraphs, &c.?—Yes. I would like to make this suggestion: that it would be a good thing if the Government gave the Crown tenants two or three trucks of lime per acre free. That would make the land a good deal better. The lime should be free both as to railage and cost. If a farmer has to cart it for six or seven miles it is quite dear enough, and I am sure it will pay the Government and pay the tenants. I would give two trucks per acre—that is, about 10 tons. There has not been much liming done in this district. I have tried it on my land, and I can assure every one that it pays to lime the land.

167. *Mr. Anstey.*] You said that all tenants should have the right of acquiring the freehold?—Yes.

168. Do you include private tenants as well as Crown tenants?—I have not thought that matter over.

169. With regard to giving free lime to tenants, is there any particular reason why Crown tenants should get free lime and that other tenants should not get it?—Many of them could not take it because they could not afford to cart it.

170. But you would not confine it to Crown tenants?—I think the Government ought to start that sort of thing and show the landlords how to deal with their tenants.

171. *Mr. McCutchan.*] You disapprove of the 999-years lease?—Yes, I think it is too long.

172. Your objection is that a man will not live for the whole term of the lease?—Yes.

173. Do you think that is a valid objection?—I think so.

174. *Mr. Paul.*] As to the lease in perpetuity, is the term too long for the State or for the tenant?—I think it is too long for both.

175. Do you approve of the land-for-settlements policy?—Yes, and I would also approve of the deferred-payment system.

176. Why did you raise an objection to the Government acquiring freeholds under the land-for-settlements system?—Because they have plenty of land of their own.



177. In the case of a man owning 100,000 acres, would you not approve of the State taking any of that land?—Yes, if it was wanted, but he should be given fair compensation. I think that the Government might have disposed of their own Crown land, and not have bought properties already profitably occupied.

178. But, in the interests of settlement, you agree that the land-for-settlements policy has been a good thing?—Yes.

179. When you say that the Government could break any contract, you must realise that the Government could do no such thing?—But they have taken estates from private owners. Did they not break a contract in such cases.

180. Could any Government break a contract unless the people were behind them?—Yes.

181. Most Governments have for the time being a majority of the people behind them?—That is where the trouble comes in.

182. *Mr. Hall.*] You say that the 999-years lease is too long, but is not the freehold still longer?—You can hold the freehold down, and I am not sure how it would do in the other case. There is a desire to get the freehold.

183. You say that the lease in perpetuity is an uncertain tenure—that the Government could break it down?—Yes.

184. Have they done that so far?—No, but they may.

185. But, having taken freehold, would it not appear that the freeholds are not as safe as the leaseholds?—The smaller freehold you keep the safer you are.

186. As regards lime, there is a good part of the colony where there is no lime. What should the Government do there? Should they help the farmers in giving them bone-dust?—You cannot get that now under the present law.

187. Would you give them guano?—That would be better. If you can assist the farmers in any way it would be a good thing. I would like to say this: that it is terrible to hear of the way in which the Government are treating the bush settlers in the North. I think we have a perfect paradise here compared with the bush settlers in the North. I have told Mr. T. Mackenzie, our member, that, compared with the settlers in the North, we have almost everything we can expect, and we should be ashamed to go to the Government for anything.

188. *Mr. Forbes.*] You said the taking of large estates was a breach of faith?—Yes.

189. When you bought your freehold was it not subject to the right of the Government to take land for roads or other Government works?—Yes.

190. It is considered to be necessary that estates should be taken for the purpose of closer settlement. Do you not think they were subject to that right when they were bought?—That was not my idea when I got my Crown grant. I recognise that the land might be taken for roads.

191. I suppose you say, in regard to the freehold in Scotland, that the freehold was a better bargain than leasing land?—If I had had the money I could have bought land within twenty miles of London cheaper per acre than here.

192. Do you not think that a good farmer will farm his ground equally well under a lease in perpetuity as with the freehold?—I think, in the case of such a long lease, he would look upon the land as his own. It would be to his own advantage to farm it well. Nothing else would pay.

193. You do not think a good farmer would farm in a slovenly way?—No.

194. Do you not think that the Government by expending large sums in the purchase of estates for closer settlement is helping to increase the value of the land?—Not in this district.

195. But you recognise that the more people there are who are anxious to buy the land the more it tends to increase the price of the land?—Yes.

196. *Mr. Matheson.*] Do you prefer the option with right of purchase because it will make the settlers more contented and the colony more prosperous?—Yes.

197. *Mr. McCardle.*] Have you expended a considerable amount in liming your land?—Yes, from £2 10s. to £3 an acre. I also drained the land to some extent, and no doubt it adds to the value of the land, and it adds also to the comfort of working the land.

198. Do you find when your improvements are valued that you are allowed for all improvements?—No. The valuer puts on a higher valuation every year.

199. Is there anything on your farm in respect to increased valuation that properly belongs to the State?—No.

200. Do you not think there is an unearned increment in the land?—There is the original value, but I have been improving the land every year.

201. Are you a member of the Farmers' Union?—Yes.

202. Do you agree with those who say that it would be fair to revalue the lease-in-perpetuity land?—I have never studied that question.

203. There is the case of the man who takes up an improved farm. Do you think that land should be revalued?—Not till his lease is out.

204. In the case of a man taking up bush land with hardly any or no roads, do you think the lease should be revalued?—No. I think he should get the land for little or nothing. I would be in favour of giving almost the whole of the North Island bush land free of rent. The settlers have taxes enough to pay. I do not think it is a good thing to let the towns swamp us by making us pay a land-tax to keep up the cost of Government.

205. Have you any objection to suggesting to the member representing your district that he should help us, especially in the bush districts in the North?—I am perfectly sure that Mr. Mackenzie will do his best for all parts of the colony. I have great sympathy for the North Island settlers, especially those in the bush districts.

EDWARD CLARK examined.

206. *The Chairman.*] What are you?—I am a farmer, and hold 1,700 acres—a small grazing-run—under the Land for Settlements Act. My rent is £85 10s. 10d. half-yearly, in advance—just under 2s. an acre. The price is too high. I wish to draw the attention of the Commission

to the question of the cutting-down of improvements by the Board when they fail to find a tenant for a surrendered section. It may possibly mean ruin to a man and his family, even when the improvements may be very large.

207. But the improvements have deteriorated?—Yes; but the land may be occupied by the former lessees under a temporary license until a tenant is found, and in that case the improvements would not deteriorate. With respect to land for settlements, I think applicants are put to too much trouble in getting land. I think the examination of the applicant should take place at any Land Office when he goes to examine the land. I think that he might be examined by the Crown Lands Commissioner. I do not think it would necessitate the appointment of a greater number of examiners than there are now. I think the applicant should be able to go to the nearest Land Office and be examined.

208. Would you intrust the examination to one man?—Yes—the preliminary examination; and if the applicant were successful and if the Board were not satisfied they might further examine him. At present there is far too much expense put upon applicants. I think that a man with a wife and children should get a preference, more especially if he has applied for land before. Under the Land for Settlements Act I think that residence should be compulsory up to ten years in all cases. I would not sell the freehold right out in every case. It seems to me that the 999-years lease is as good as a freehold. I do not think that any land laws made in the time of William the Conqueror would affect us now. I think the lease in perpetuity is a satisfactory tenure. I am of opinion, however, that lessees should have the right of getting the freehold—they should have the option of purchase. I think that Land Boards should be able to reduce the rent when they are convinced that the rent is too high. I do not think that Civil servants should get any advantage over other people as far as exemption from residence is concerned. I do not think that preference should be given to townspeople, and I am of opinion that a married woman living with her husband should not be able to take up land at all. I also think that a man should have his improvements secured to him under any circumstances. I think the unsuccessful applicant at a land ballot should have a preference given him at the next ballot he applies for, and I think there should be no grouping. The applicant should have the opportunity of applying for a section right out.

209. *Mr. McCutchan.*] In the case of surrenders, have you any suggestion to make in the matter of the Government cutting down the rental?—I think the Government should cut down the rentals, but what they do is to cut the improvements down and keep cutting them down until they have been reduced to nothing if they cannot get a tenant.

210. If a place is a considerable time unoccupied the improvements must deteriorate?—There is no necessity for the place to remain unoccupied. They can get a temporary tenant.

211. You advocate the lowering of the rental?—Why not. It is contrary to ordinary business not to do it.

212. *Mr. Paul.*] Are you in favour of the present constitution of Land Boards?—Yes; but at the same time I think that some of the evidence that has been given by members of the Land Board is not exactly consistent. They have the freehold themselves, and they do not like to give it to other people.

213. In the case of the rent being fixed too high I understood you to say that you advocated that the Land Board should have power to adjust the rent?—I do.

214. In the case of a rent being fixed too low would you suggest any alteration?—No.

215. You said something about not being in favour of parting with the freehold: what do you mean by parting with the freehold?—I think it is not for the good of the country that in future the freehold should be sold—not the whole of it. To prevent the aggregation of estates and to keep the tenants up to the mark I think only nine-tenths should be sold and the other tenth should be retained by the State.

216. Would you make that apply to land bought under the Land for Settlements Act, and also to the remaining Crown lands?—I would.

217. What is your objection to married women holding land?—A married woman's purse is in common with her husband's, and they are one person. I fail to see why a married woman should hold land while there are families landless.

218. Do you not think that a married woman has rights equal with a man?—Not when she is living with her husband.

219. Would you make an exception in the case where she is not living with her husband?—If she was a widow I would make her equal with a man, and I would, too, if she was entirely separated from her husband.

220. You would penalise a woman who lives with her husband?—I do not think "penalise" is a good term. I think a man and woman living together are practically one.

221. In that case you would refuse the land to her?—Certainly.

222. *Mr. Forbes.*] Do you think the Crown tenants should have a representative on the Land Board to look after their interests?—My experience of the Land Board is that they act justly.

223. You think that the Crown tenants' interest has no need of special representation?—Not as far as my experience of the Otago Land Board goes.

224. *Mr. Matheson.*] If you were working land with a partner, and an opportunity came of one of you taking up another section, do you think it would be reasonable for you to say to your partner, "Go in for that section and we will work it together"?—If the residential conditions were complied with the partner would practically have a place for himself.

225. Supposing the partner were a woman, would you allow her to take up the section?—Not if she were his wife.

226. If they were married, would not the two have better rights than a bachelor?—I do not think a married woman should have rights in land—that is, if she lives with her husband.

227. Would you allow a single woman to take up land?—If she is of age.

228. Would you allow a single man to take up land?—Yes.

229. Would you allow a man and woman holding land separately to get married and hold their land together?—I do not think that I would unless each resided on their own property.

230. *Mr. Anstey.*] You said you would insist on compulsory residence in all cases. It has been pointed out to us that in many cases in the back country there are no means of access: in such cases would you insist on compulsory residence?—My remarks apply particularly to lands under the Land for Settlements Act.

231. You said that all the improvements should be secured to the tenant?—Yes.

232. Would that apply to all tenants?—Not to private tenants. I am speaking of Government land only.

233. You do not think it should apply to Government tenants?—That is guided by the terms of the lease.

234. Do you not think there should be one law for all?—Not necessarily.

235. You think it is quite right for a private landlord to sell the property of his tenant at the end of the lease?—No, I do not.

236. Suppose a tenant built a house on a farm, do you not think he has a right to it?—Certainly, if the lease allowed him valuation for improvements.

237. Not otherwise?—If it did not it would be at his own risk that he built the house.

238. Do you think the law should be altered in regard to that?—No.

239. You say a private landlord has a perfect right to appropriate the property of his tenant?—A tenant is not justified in putting improvements on land that he has no claim to afterwards.

240. And a private landlord has a perfect right to take such improvements?—Yes.

JOHN DUNCAN examined.

241. *The Chairman.*] What are you?—I am a farmer holding about 400 acres of freehold, of which I farm 30 acres, and I also hold 30 acres of farming land under leasehold. My land is at Dunback, and is on the hill. On the hill land I run sheep. I have been twenty years in that district.

242. Would you just tell us what you want to bring before the Commission?—I think that the ballot should be improved so that practical farmers would have a preference, especially when married. I think that the rent of the lands which the Government are taking under the Land for Settlements Act should be done by men who are thoroughly acquainted with what the land can produce. In surveying the sections care should be taken to include water if possible, and the sections should be large enough to enable a man with his family to make a fair living. I am hampered in that I have no water on my leasehold, although there is a creek running alongside. I have had forty-seven years' experience of cropping and farming, and I think that a five-years rotation is fair for landlord and tenant. The first should be a grain crop, the second should be a green crop or fallow, the third a green crop and sown down with grass, and the other two years grass.

243. What is your view of the tenure?—I am a leaseholder by preference. It is easier to go on the land under the leasehold, and if a man wants to sell he can get a buyer more easily. The conditions of tenure must be fair rent, secure tenure, and full valuation for improvements.

244. That means a revaluation?—No.

245. We are speaking of the lease in perpetuity?—Yes.

246. For 999 years?—Yes; but it will come to an end, and I want to secure the value of the improvements then. The tenure does not alter the productiveness of the land. In fact, a man is more liable to ruin his land by overcropping, in order to make money fast or to pay the interest on his mortgage. There is no one to keep any check on him, and that is what a great many farmers in this colony require. I should say that I think that when once the improvements are effected the rent should not be paid in advance. Any one wanting to borrow on his improvements should be allowed up to three-fifths of their value, as is the case with regard to the freehold. I regard the Government as the best landlord. The Dunedin Land Board in all cases is favourable to the tenant. I certainly would give the Land Board more discretionary power. The first witness to-day gave an instance which I think should rest within the discretion of the Land Board. There should be a discretion not only to lower the rent where too high, but to raise it where too low. One is the logical outcome of the other.

247. Do you suggest that rents are not fixed as they ought to be?—No, I do not; but I say they ought to be honestly done.

248. Do you suggest that the rents are not skilfully apportioned?—In some cases there should be a variation.

249. Generally speaking, are the sections of Crown land cut up too small?—My section is only 30 acres. No man could make a living on it.

250. What is the size that you would suggest for this neighbourhood?—200 to 300 acres for farms, and larger for pastoral purposes.

251. Do you think there should be any areas of 30 acres?—Unless in the vicinity of townships.

252. Purely farming land should not be less than 200 acres?—No.

253. According to your rotation there are only two years of grass—really only a year and three-quarters: is that long enough to be laid down in grass?—I mean for two years after the crop has been taken off. Under the present conditions we have to allow the grass to lie for three years after the crop is taken off; that means that for practically four years it is in grass.

254. That would be seven years?—No; we sow grass in the spring after the crop.

255. You say it has to lie four years in grass. You have allowed two years for crop and one for turnips; that is seven years?—No. I say that under the present conditions the last three years are in grass.

256. Do you think a year and three-quarters is sufficient to lay down in grass if you have a five-years system?—Two years in grass is quite sufficient.

257. That is not the case in Canterbury?—I can show you instances where the third year in grass has led to the fields being overrun with Yorkshire fog and other weaker grasses.

258. I presume you would allow your evidence to apply to your own neighbourhood?—Yes.

259. Do you think that fixity of tenure and compensation for improvements should apply not only to Crown tenants and the tenants of educational reserves, but also to private tenants?—We cannot interfere with private tenants. But it should apply to all Crown tenants, and, I think, also to public reserves.

260. Do you think that a man of moderate means, if he purchased a freehold, would be likely to improve that place as much as if he had taken a leasehold?—I do not think so, for in the case of taking the leasehold he would have more money to go on with.

261. *Mr. Paul.*] Would you give a landless man a preference in the ballot?—If he was a thorough practical farmer. I would not encourage landless men to take up land unless they were practical farmers.

262. Do you know of any instance where a man has taken up land who was not previously a farmer and made a success of it?—It is quite possible.

263. You do not think leaseholders have a monopoly of bad farming?—No; I think there is as good farming among the leaseholders as there is among the freeholders.

264. I was not quite clear what you meant by the Land Board having power to increase or decrease the rent: do you mean that the system of periodical revaluation is a sound one?—It is not necessary to have a periodical revaluation; but where a man has taken a section at too high a rental the Board should have power to reduce the rent.

265. He would make representations to the Land Board?—Yes.

266. But what would you do in the case of the man having too low a rent? He would not be likely to make any representations on the subject?—I do not think it likely that he would.

267. *Mr. McCardle.*] Did you buy your land fairly cheap?—No; I think I paid too much for it.

268. You say that in the case of Government leaseholds the price of the sections might be fixed too low?—Yes.

269. Might not that happen in the case of freehold?—Quite so.

270. Would it be fair in those cases to ask the buyer to consent to a revaluation and pay some more?—If he got it too cheap, certainly.

271. *Mr. Paul.*] Do you think there is any probability of a man who has paid too little for his land from the State coming forward and paying an additional sum?—No; I think it is the other way.

EDWARD HENRY CLARK examined.

272. *The Chairman.*] What are you?—I am a builder in Palmerston, where I have lived for twenty-five years. I have no land.

273. What is the point you wish to bring before the Commission?—I wish to object to the option of freehold being given to Crown tenants without the holding being put up to auction. There are sections for which there are, say, forty applicants, only one of whom can be successful. That applicant, after he has been farming the place for ten years and has made money out of it, wants the freehold. Why should not the remainder of the applicants be given an opportunity also of securing it. It belongs as much to them as to him.

274. *Mr. Paul.*] You think it is just probable that one of the other forty would give a better price if the land went to auction?—I think they should have the right.

275. *The Chairman.*] Would you restrict it to the thirty-nine?—Certainly not. I would put it up to the public.

276. *Mr. Paul.*] Is it your opinion that Crown tenants should get the option?—Yes, if put up to auction. I do not think he should get it as a right.

277. You would put a provision in the lease that when the freehold is given it would be auctioned?—Yes.

278. *Mr. Matheson.*] Is your reason for giving the option of the freehold that it would make a more contented peasantry?—No.

279. Why would you give them the option, then?—It is my opinion that they should have the right.

280. *Mr. McCardle.*] If put up to auction it would likely bring fresh revenue to the State?—Very likely it would if the tenant was outbid.

JAMES ROSS examined.

281. *The Chairman.*] What are you?—I am a freeholder, and I also have a leasehold, but not from the Crown. Altogether I hold a little over 7,000 acres. I have been in the colony for forty-four years.

282. On your property have you ever tried surface-sowing?—Yes.

283. Extensively?—Yes, as much as I possibly could, and I know it improves the country in Central Otago as well.

284. The general tenor of evidence is that surface-sowing does well if tried on damp places and not exposed to a burning sun?—It depends very much on the season, but the seed lies a long time in rough country and germinates when moisture comes.

285. Is there any particular seed that should be sown?—Cocksfoot and white clover. Lots of people try fescues, but I do not believe in them.

286. What is your objection to fescues?—It mats the surface too much and prevents the rain penetrating.

287. We have had an opinion tendered doubting whether it was worth doing or not. We had the opinion yesterday from a man of experience that he was doubtful whether the expense was

worth it?—If I had land of my own in Central Otago I should certainly try it. I have seen it done successfully myself. At Dunback, about Macrae's, it is very successful in some parts.

288. We have had expression of opinion about lands in the interior, and it has been said that if they could only be fenced off and rested for a season it would be a good thing?—That would certainly benefit the land.

289. Has it come under your observation that the pastures of the colony are deteriorating very much?—They did for some time, but I think they are recovering again.

290. I suppose that is due to the rabbits being kept down?—Yes, and to the fact that we have had four or five good seasons.

291. Is there anything else that occurs to you that you might mention?—There is one thing that occurs to me and it is this: that in making appointments to the Land Board thoroughly practical men who understand the capability of land ought to be appointed. Such men would know better than a lot of those people who have never had any experience of rough country, or as to the carrying-capacity of grazing-land and its subdivision into workable areas.

292. Of course, it goes without saying that high and low country must be combined as much as practicable?—Yes; that is where a mistake has been made in the past.

293. Do you think that can be rectified?—It could be cut up in strips, I think.

294. I suppose it might be a question of whether it is not advisable to buy some of the low country to give proper communication to the high country that has been left?—I suppose the people who have it would not like to lose it. I would also like to say that I think the deferred-payment system is the best system we have ever had for settling agricultural country, and for pastoral country I think small grazing-runs are the best.

295. *Mr. Anstey.*] Can you give us any suggestion by which the surface-sowing of grass can be encouraged?—I have seen it done in a very peculiar way by Mr. F. D. Rich. He used to open the wool on the sheep and put in the seed, and distribute it that way.

296. Was that successful?—To a certain extent, it was. You could find those grasses miles away.

297. Can you suggest any way in which this non-security of tenure can be got over?—I think twenty-one years ought to pay them.

298. They say that at the end of the lease they get no compensation?—I think they should be provided with grass-seed.

299. If they have a guarantee that it would be properly sown you think it would be wise for the Government to give the seed?—Yes.

300. Do you think the Land Board district ought to be divided into several districts?—Yes. I think the members of the Board ought to be more distributed over the province than they are at the present time.

301. Do you think there should be a representative for each interest?—Yes.

302. In that case you would require more members?—No.

303. Supposing the Board was limited to four members, could they be so selected as to represent all the interests in Otago?—Yes.

304. *Mr. McCutchan.*] You advocate the reintroduction of the deferred-payment system, under which the payments were extended over ten years?—Yes.

305. Would you be in favour of the term being extended so as to make the payments lighter at the beginning, when the tenant had got all the initial expenses of bringing the land into profitable use—say, extend the term to twenty years?—If he was not able to pay off the land I certainly would.

306. There is some doubt in your mind as to the result of surface-sowing?—Not the slightest.

307. Do you think surface-sowing or resting pastoral land would be best?—I could not allow it to rest. I have seen country which has been successfully treated by tramping in the seed.

308. I understood you to say, in answer to the Chairman, that this country became fertile again if rested?—Yes. It improves a lot.

309. Which would you advise, resting or surface-sowing, or both?—I do not know which would pay best.

310. You are quite satisfied you will not give the freehold to these grazing-areas?—I do not wish to go into that question at all.

311. Would you give the option of the freehold to lands under the Land for Settlements Act?—It is my opinion that every one wants the freehold. I would not enter into any contract with the Crown unless I had the right of freehold.

312. If you entered into a contract you would stick to it?—I would perhaps stick to it as long as the Government would.

313. *Mr. Hall.*] If one member on each Land Board was appointed by the County Councils, would they not naturally appoint a man with a knowledge of the high country? Would that be sufficient?—I think it would be better as it is—that the appointment should come from the Government.

314. You think fescues prevent the penetration of moisture into the soil: that would apply only to special places?—It applies to all places where certain people have been putting these fescues into the land, and it is a difficulty now to get them out.

315. Do they want them out?—I would rather have something else in.

316. *Mr. Forbes.*] Would you support the Government going in for a policy of spending money on grassing this back country?—It would be no use sowing grass where there are frosts and severe storms during the winter.

317. Would you have much faith in grass sown by Government officials?—I tell you straight, I have not much faith in them.

318. *Mr. Matheson.*] Does what you have said about surface-sowing apply to land over 1,500 ft. above sea-level?—Yes, I think it does. It depends largely on the soil to a certain extent. I do not mean great heights.

319. Do you think the giving of the right of purchase is likely to make the colony more prosperous?—Yes. It gives a man more interest in what he is doing.

320. And townspeople will eventually reap the benefit?—I do not take townspeople into consideration at all.

321. As a citizen, do you not think it is a shabby thing not to take the townspeople into consideration?—No; if I spend my life in the country and they their lives with more pleasure in the towns, why should I take them into consideration.

322. Do you think they would reap a benefit?—Yes.

323. *Mr. McCardle.*] It would take about 10s. an acre to grass the land?—I do not think it necessary to buy the very best grasses.

324. How much do you think it would cost?—I cannot tell you.

325. What is the best grass to put in?—Cocksfoot.

326. I suppose that is generally worth 6d.?—No; you can buy good cocksfoot for 3d. and 4d.

327. Are you in favour of a man who has taken up land under lease in perpetuity getting the freehold?—Yes.

328. Do you think that the State gets any advantage by continuing the 999-years lease?—I do not see that it does.

329. It is tied up, to all intents and purposes, just as much as the freehold?—That is true. If the country is to prosper for the next fifty-seven years as it has for the past fifty-seven years I do not think that the Commission or the Government or any one else in power can for one moment think that the laws of the land will be the same then as now. I think the whole thing will be altered, and all your present Acts be thrown aside.

330. *Mr. Anstey.*] Do you think it would be possible to enforce a provision for the fencing-off of land for the purpose of resting the land?—Yes.

331. And keep the rabbits off it too?—I do not say anything about rabbits.

332. If you have the rabbits on you may as well have sheep?—Much better.

#### DAVID ROSS examined.

333. *The Chairman.*] What are you?—I am a sheep-farmer holding a small grazing-run of 4,900 acres or thereabouts in Macrae's district. I have had it for about ten years, and I pay 4½d. per acre. It is pretty high and bleak, and does not carry much stock. I never have more than two thousand sheep, half-breds principally. I started with merinos.

334. Do you find half-breds hardy enough?—It is pretty cold in the spring.

335. Is there a high death-rate?—Mine is about 20 per cent.

336. Do you require to buy to keep up your stock?—That is my trouble. The ordinary increase will not keep up the flock.

337. Is there any particular point you wish to bring before the Commission?—I want to know if I can get compensation for the surface-sowing we have heard so much about. I may tell you that I sowed grass-seed this season to the value of £50, without counting the cost of labour and carting. If I knew I could get compensation for this sowing it would encourage me to go on with the surface-sowing. I might mention that Mount Royal has been surface-sowed over the most of the estate, and I do not know of any country in the neighbourhood that is carrying as much stock as that land. But it takes a long time to reap the benefit from surface-sowing. I might mention that this surface-sowing was commenced at Mount Royal over twenty-eight years ago, to my knowledge. I want to impress on the Commission the necessity of bringing forward the question of compensation for surface-sowing. I would also like to say I am quite satisfied with the present constitution of the Land Boards. I do not think that election by the public would be workable.

338. *Mr. Anstey.*] I presume surface-sowing will largely increase the carrying-capacity of your run?—I think so; I hope so.

339. Suppose you have a right of renewal with your rent fixed by arbitration, would that encourage you to go on surface-sowing?—I would not be satisfied with that. I want compensation for the sowing.

340. *Mr. Matheson.*] Would you suggest that compensation should be granted according to the increased carrying-capacity? Would you be willing to accept that basis?—I do not know that you could get at it in that way. I think the State should either give the grass-seed or appoint a person to see the grass-seed put on.

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#### WINDSOR, THURSDAY, 30TH MARCH, 1905.

#### JAMES DON examined.

1. *The Chairman.*] What are you?—I am a farmer at Windsor. I hold 834 acres under lease in perpetuity, and I pay 6s. 6d. per acre rent for it. I use the land for cropping and grazing.

2. During the four years you have held the section has it been fairly satisfactory to you?—Very satisfactory. I have nothing to complain of.

3. Are you satisfied with your tenure?—Quite.

4. Have you any remarks to make about settlement generally that you think would be useful for the Commission to know?—The weak point I see in the administration is in connection with the concessions given to tenants when they suffer loss through hail-storms and other causes. It is quite right they should get the concession, but my idea is that there should be an Act passed that any rent that is remitted in a bad year should be added to the rent in the following good years in order to recoup the State. I think that any concession should still be a claim on the land.

5. You do not want the concession to be a gift, you only want time in which to pay?—That is all. I think the good years should be made to pay for the bad ones. Some men make a good bit in a good year, and they do not run to the Crown and give them any of it, and I do not see why any remissions should not be spread over a period of good years to make up for the bad year. I am quite satisfied with all the other points in the leasehold. I consider it has been a great boon to the district that these estates have been broken up by the Government. I have been in the district the last thirty years, contracting and working over these estates, and I have never seen the country in such a flourishing condition as it is at the present time. The good seasons account for some of that, but the greater part of the prosperity is due to the land-for-settlements policy.

6. *Mr. Hall.*] You consider the lease-in-perpetuity tenure satisfactory to the lessees, and safe and in the interests of the State?—Yes.

7. You know how the Land Boards are appointed: has that proved quite satisfactory?—It has in this district.

8. I suppose the land has risen in value a good deal here during the last eight or ten years?—It rose in value before the Government purchased these estates. It was on a rising scale owing to the Government making the railway through here.

9. *Mr. McLennan.*] You have been here thirty years: do you remember the years 1890, 1891, 1892, 1893, and 1894 in this district?—Yes.

10. Were those years prosperous?—They were not; they were dry years.

11. Do you remember that during those years there were what were called “croppers” leasing areas of various dimensions on these estates for one year?—Yes.

12. Can you tell me what rent they were paying in those days?—From £2 to £2 10s. per acre, and for potato land as high as £3 per acre.

13. You have studied the Land for Settlements Act, and you know the difference in the rent now to what it was in those days?—Yes. You can grow as good a crop of wheat for 6s. 6d. now as you could when you had to pay £2 10s.

14. And even then you did not get a remission of rent in the event of a bad crop?—If the landlord thought the rent was not there he put a padlock on the gate so that you could not get the crop away.

15. Has the district and the Town of Oamaru prospered in the last four or five years?—I consider they have improved every year for the last four or five years.

16. What is the reason of that, to your mind?—It is due to good seasons and the settlement under the land-for-settlements policy.

17. In your opinion, would these estates have been cut up privately if it had not been for the Land for Settlements Act, and so long as the owners were getting £2 10s. per acre, or 25 per cent. of the capital value of the land, for one year's rent?—I do not think they would.

18. Do you remember two other estates that were cut up privately—viz., Tipu and Holmes's and part of Totara? Do you think they would have been cut up if they could have got the rent that the croppers were giving them in the years I have referred to?—I think the Holmes Estate was cut up owing to the death of the Hon. Matthew Holmes. At the same time, I do not think the others would have been cut up and sold if the owners could have got the £2 10s. and £3 rent they used to get.

19. Do you not think that the cutting-up and settling of these big estates has improved Oamaru wonderfully?—There is no doubt about it. Oamaru has gone ahead more in the last five years than in the fifteen years before it.

20. Seeing that is so, do you know of any other estate in the locality that could be cut up and settled?—Yes; there is Corydale Estate, which, if cut up, would provide homes for a good many people. But it should not be cut up into sections under 500 or 700 acres.

21. Do you think that Otekaike could be cut up into large holdings, for grazing-runs, for instance?—Yes, but they would want to be fair-sized holdings. They would require to be from 2,000 to 3,000 acres.

22. Do you think if the Government bought the freehold from Duntroon right up to the Otekaike River, and surveyed it so as to get a certain proportion of winter country for high country it would suit very well?—It would. The low-lying country on the bank of the river would make good winter country. You could make small places of the land along the river, and give them part of the higher country as well.

23. Do you think it would be advisable to give the Land Board more discretionary power, so that they could deal with matters that have at present to be referred to Wellington?—I would not say so. I think they are doing very well at the present time.

24. *Mr. Paul.*] In your opinion, these estates would not have been cut up but for the land-for-settlements policy: do you think that if they had been cut up that the settlers would have been placed on the land on as advantageous terms as they hold the land now from the Government?—I am certain they would not.

25. Are there any restrictions or regulations that harass you in any way?—None, whatever. I am satisfied with my lease and all its clauses.

26. You do not wish for a change in any direction?—There is one point. A man is only supposed to take two white crops off and then to sow down in grass. Some of the cocksfoot land is very tough, and if you only take two white crops off it it has not been worked sufficiently to sow down in grass. I would only advocate that a settler should be allowed to take three crops off in order to properly work the ground.

27. Do you think that that discretionary power should be vested in the Land Board?—Certainly.

28. *Mr. Johnston.*] Were you farming before you took up this land?—I had been cropping and contracting.



29. About what area of these estates was cropped each year before they were cut up?—I was never on Elderslie before I settled here, but I was on Maerewhenua and Tokarahi. There used to be from 2,000 to 3,000 acres under crop at Maerewhenua; but in the early days, in 1876, there might have been from 6,000 to 7,000 acres, with ten or twelve croppers on the block.

30. What was the rental given then?—7s. 6d. before the railway was finished, and 10s. after it was finished. It got to be afterwards £2 to £2 10s.

31. What was the average yield when they were paying £2 per acre?—From 30 to 35 bushels, and sometimes 40.

32. Did it pay?—Everybody seemed to live at it. I do not know that they made much money.

33. They paid £2 per acre and they got 35 bushels to the acre, and they had to put in the crop and take it out and put it on board the train?—Yes; but we got 4s., and 4s. 6d., and 5s. per bushel in those days. I have seen it as high as 6s. 6d. and 7s. The crops were mostly wheat.

34. What became of the land after that?—The landlord used to sow it down in grass. He did not give us the seed to sow with the crop.

35. Were there as many men employed then on these estates as there are now under the settlement policy?—For a few months during the cropping and harvesting there might have been, but over the whole year there were not near so many. I suppose the population of the district is three times as great as it used to be.

36. Do the leaseholders on these blocks farm their land as well as the freeholders outside the blocks?—I do not see any difference. I know several of my neighbours are treating the land in the same way as if it were their own. They mean, apparently, to make their home on it.

37. You said that Otekaike was capable of being cut into small runs: would you give a man 5,000 acres of a small run or would you give him sufficient land to run two thousand sheep? How many sheep would you limit the man to?—If he has land sufficient to run two thousand sheep I think he has quite enough.

38. Have you had any experience of the back country?—None whatever.

39. Are you satisfied with the working of the ballot system?—Yes. The section I got had been thrown up, and there were only two of us in for it.

40. If this land was put in the market now would it bring more money than it did before, without improvements?—I do not know that it would. Of course, the improvements have enhanced the value of it considerably.

41. Have you had any experience of the Advances to Settlers Office?—None.

42. *Mr. Matheson.*] Do you think the increased value of land is chiefly governed by the British market?—Well, I think it is chiefly due at the present time to the good seasons and yields we are getting. If we had bad seasons the value of the land would drop considerably.

43. The value of your products is governed by the English market?—There is no doubt about it.

44. Suppose a man takes up one of these leases and has some good years straight away, do you think it would be wise to allow him to pay off a part of the capital value so that his future rent might be reduced?—I am not in sympathy with that, because if a farmer has any money to invest he can invest it in other ways and get just as good interest as he is paying to the State.

45. Is not what I am suggesting on the same lines as your proposal, that when a rebate is made the tenant should pay it back again?—Certainly.

46. Would it not be just as sound to pay it off first if you have good years, and so reduce the rental?—If you reduce the rental you reduce it for ever.

47. Have you any objection to reducing the rental for ever?—I have none.

48. Do you think it would be a good thing?—Yes.

49. Suppose things went on very prosperously, would it not be reasonable in time to pay off the whole amount?—I do not believe in the freehold myself. I am satisfied as I am at present.

50. Suppose anybody would like to pay off the capital value gradually out of his own earnings, do you think, as a citizen, it would be unwise to allow him to do so?—I would not be satisfied. I think he ought to be left as he is.

51. You say you would not allow him to pay it off out of his savings?—I would not go so far as that.

52. Suppose you had to decide the matter, would you allow him to do so?—I am in favour of leaving him as he is.

53. *Mr. Forbes.*] You believe in a man sticking to his bargain?—Yes.

54. Do you think that there is any breaking of the contract if both parties agree to alter it?—Certainly, it is breaking it, although both parties agree. The lease is sound at the present time, and if they break it we do not know how many breaks may occur in it before it is finished.

55. *Mr. Anstey.*] Do you know if any of the settlers have sold out their interest?—Yes, I know some.

56. Did they sell at a loss or at a premium?—Generally at a premium.

57. Did they get more than sufficient to recoup them for their improvements?—I think in all instances they did.

58. You say you are perfectly satisfied with both the terms and conditions of your lease. How do you view the statement we see repeatedly in the papers that the lease-in-perpetuity tenants are now demanding the right of freehold?—I see they are by the newspapers.

59. Speaking from your own experience, are you and your fellow-settlers coming here to demand the right of the freehold?—I am not. Of course, we do not come here as a deputation. Every man is coming here for himself.

60. If the newspapers were to publish that the Windsor Park settlers are now demanding the freehold, would that statement be correct?—No; I would contradict it.

61. *Mr. McCardle.*] In regard to the Advances to Settlers Department, I suppose you know that if a man with a freehold applies to a lending company for a loan they will advance up to two-thirds of the value, and the Advances to Settlers Department will only advance up to one-half of the improvements appearing on the land. There is a proposal to amend that and grant the Crown tenants an advance up to two-thirds of their actual interest in the land. Do you think that would be fair in the interests of the settler and a safe thing for the State?—I think so. The improvements would be valued by the Government valuer, and so long as he is satisfied I do not think the State would run any risk.

62. *Mr. McCutchan.*] You said you were perfectly satisfied with your tenure and do not want any alteration?—Yes.

63. That is in reference to lands under the Land for Settlements Act?—Yes.

64. Have you any knowledge of the lease in perpetuity under the ordinary Land Act of 1892?—No.

65. Your advocacy of no change is in reference to the Land for Settlements Act only?—Yes; in regard to the settlements about here only.

66. You say that concessions have been given on account of extraordinary damage through hail-storms, &c., and are you of opinion that these concessions should be refunded in subsequent good years?—Yes, they should be spread over a period of years.

67. Did the tenants on these estates take the 10-per-cent. rebate?—I have always got it.

68. Do you not think there is an inconsistency in your two lines of argument—namely, that where concessions are made for damage there should be a refund, but where a concession is made without any damage at all there should be no refund?—I believe the Government are charging us more for the money than they are actually paying for it, and I do not see any robbery in taking the 10-per-cent. rebate.

69. You think that throughout all time the Government should charge the tenant no more than bare interest upon the money invested in these estates?—They are charging more now. The Minister of Lands, at Windsor, before the last general election, told us how much money had accumulated to the credit of the Elderslie Estate then. I do not remember the figures, but if it had accumulated then there must be a good deal more now.

70. The inference I draw from your remarks is that there should be no revaluation clause in connection with these leases?—My idea is to stick to the lease as it is at the present time.

71. But a proposal has been made in influential quarters that any lease issued in the future should contain a revaluation clause: would you be in favour of that?—No. I believe the leases issued in the future should be on the same lines as those now issued. The tenants ought all to be under the one law.

72. Therefore your advocacy of the 999-years lease is on the ground and understanding that there should be no revaluation clause either in respect to leases now existing or to future leases?—I consider that the man who takes up a lease five years from now has just as much right to have no revaluation clause as the man who has already got a lease.

73. Is your objection to any change in the form of tenure from the leasehold to the freehold or any paying-off of the capital value due to the fact that you have an extraordinarily good thing indeed, and you dread your change?—I do not know that I have an extraordinary good thing now. The extraordinary good seasons make it a good thing. About four years ago, when there were bad seasons, it was not a good thing. It was a very bad thing four years ago.

74. Do you think where a tenant is able to sell out at a higher sum over and above his actual improvements he is fully entitled to that increase?—I think the Land Board should not allow him to sell out.

75. No matter what circumstances may arise, do you think a man and his family should be bound to continue on that land for all time?—He takes it up under those conditions.

76. Do you not think that circumstances might arise which would necessitate that man moving away?—They might.

77. Would you allow him to take the full market value then?—If he had to shift.

78. Do you not think there would be a certain amount of slavery if you bound a man to the land for all time?—But the man took up the land knowing the conditions under which he took it up.

79. But there is nothing in the law to prevent him selling out?—Then, it is all right.

80. But is it your opinion that the law should be made such that he should not be allowed to sell out? I am quite satisfied with the law at the present time. I wish no alterations made in it.

JAMES WILL McCOWAN examined.

81. *The Chairman.*] What are you?—I am a farmer on Elderslie. I hold 320 acres under lease in perpetuity, for which I pay 7s. per acre rent. I have held the land a little over eighteen months.

82. Is the lease-in-perpetuity tenure satisfactory to you?—Yes; so far as I have gone on I am perfectly satisfied.

83. Is your rent satisfactory too?—Yes.

84. Is there any point you would like to bring before the Commission?—I have always been under the impression that the cropping clause is wrong.

85. Do you agree with what Mr. Don said?—I think I would go further than Mr. Don, who suggested three crops without classification. I was on Waikakahi before I came here, and it seems to me a ridiculous thing to see land there valued at 19s. per acre and other land as low as 4s. per acre all classed as first-class land, and all held under the same cropping regulations. I do not think any private landowner in the world would expect a tenant only to get the same right to crop on 19s. land as on 4s. land.

86. Of course, what underlies the regulation is that the land will not be harried out?—Then, it is quite evident, if you are saving 19s. land, you must be killing the 4s. land.

87. Of course, a man is not compelled to take three crops if the land will not bear it: the 4s. land should be rested longer?—But how is a 19s. man going to extract his rent out of 100 acres and be held to two crops? The land I refer to would stand four crops.

88. Of course, there must be some regulation; but would you leave any variation in the hands of the Land Board to decide in regard to the various lands, or would you have all the land carefully classified before the tenants got it?—Either classify the land on a rental basis or leave greater discretion with the Land Board. I should say that land over 12s. 6d. per acre should be entitled to three white crops or under.

89. Would you keep the present regulation in regard to two crops for land under 12s. 6d.?—I think the Ranger ought to have the discretion right through. I think if a crop is a failure, or if the grass is a failure, a man ought to be allowed to sow another crop in order to get his grass.

90. Were you a settler on Waikakahi?—Yes; I had a small section, and I laboured under a disadvantage.

91. Were you a 19s. settler?—I was not, thank God. I held 34 acres valued at 9d. per acre, and 50 acres at 3s. 4d. per acre, and because I held these 84 acres the Land Board would not let me go into a ballot until I sold out. I think that is a great injustice to the small settler. What I want to draw your attention to is this: A man with a wife and family may hold a small area of ground—in my own case, I was a single man and could perhaps battle for myself—and when he has improved his position, and wants to go on to another piece of ground, I think it is very hard that he should be compelled to throw up his little home and stand his chance at the ballot for a new section. We know the risk that attaches to the ballot. I think the law should be amended to enable him to go on to a larger area, and still keep his little home until he has got clear of it. I would give him a certain time after he has secured a new section in which to sell out the old one.

92. *Mr. Hall.*] Do you wish for the right to purchase the freehold?—No.

93. Have you had any experience of taking up ordinary Crown lands?—No.

94. Do you think it is better for the State that the lease in perpetuity should be kept intact without interference of any kind?—Not for the State, but for the tenant.

95. If it is good for the tenant it ought to be an advantage to the country as well?—I do not think it is a benefit to the State, but it is good for the tenant. That is my private opinion.

96. You say the conditions in regard to cropping should be modified: is it good farming to crop the land much?—It is good farming on good land, because that is the only way you can make sufficient to pay the rent you are asked to get out of it.

97. Does not grazing do fairly well on good land?—The difference between what you graze on good land and on fair average land is not sufficient for the difference in the rent.

98. Is it good farming to overcrop any kind of land?—No; but what may be overcropping on one land may be light cropping on another.

99. Are the sections which have been allotted at the ballot of a fair size in this district?—I think they are a fair size on Elderslie. Some of them are too small.

100. Is there any tendency to aggregate estates around here?—I do not know this district sufficiently well to say. I suppose every one, as he betters his position, has that desire.

101. Do you know anything about the Advances to Settlers Office?—I know nothing about it, and I think also I should be very sorry to have anything to do with it, from what I have heard.

102. But those who have to do with it can borrow to the extent of 50 per cent. of the value of their improvements: would it not be better if their whole interest in the property was taken into consideration and they were allowed to borrow on that basis?—I should be very sorry to advise the State to take that asset.

103. Would it not be better than lending on the improvements only?—The improvements are there, but the other is a fluctuating value.

104. Are you satisfied with the ballot system?—It is good in its way, but I think the examination is a bit of a farce.

105. *Mr. McLennan.*] Do you know anything about the system of loading roads and other works on the land?—I have not gone closely into it, but I understand the loading is for ever.

106. Do you think that after twenty-six years or within a reasonable time the loading ought to be done away with?—I really think, from what I can see of it, that there is more made out of it than it is really worth.

107. This estate has not been very heavily loaded, but some are very heavily loaded: I know one estate loaded to the extent of 17s. per acre?—Well, it is loaded pretty heavily, and that would mean a remission.

108. Could you suggest any system that would do away with loading altogether?—No. That advice would want more thought than I have given to it.

109. Do you think it is just that the tenant should pay the interest on this loading for the 999 years?—I would not answer any question unless I have thought over it. I have never gone into the question of loading.

110. *Mr. Paul.*] Several large estates have been cut up: do you think that policy has been in the interests of the State and of the district?—Yes.

111. Are there any other restrictions or regulations under the lease in perpetuity that harass you unduly?—I have not said that any regulation harassed me. I merely make the suggestion that the cropping regulation should be amended, because I do not come under the class of men who are unduly restricted in their cropping.

112. You said the lease in perpetuity was not in the interest of the State: what do you mean by that?—That is my private opinion. I suppose there are certain gentlemen on the Commission with revaluation views.

113. What effect has that on your objection—because some people on this Commission hold

that view?—I have no objection to them, but that is my objection to touching the lease in perpetuity. I do not object to all sections being represented on the Commission, but I say the lease as it is at present is good for the tenant but not for the State.

114. Are you in favour of revaluing future leases?—I am not in favour of touching the present leases at all. If you want my opinion it is this: the John McKenzie lease was the lease of a practical farmer who knew that surety of tenure was the finest thing we could have. Students say there should be a revaluation every twenty-one years. I do not want that.

115. Suppose for a moment that your land was valued at too high a price and you were paying too much rent?—I made a bargain.

116. That would not help the State out of it?—Then, the State could arrange the matter. If they could get no one to come in at that rent they would have to reduce it.

117. Suppose you were a married man and had a family?—If I could not make it pay I would be better to go out and work.

118. Then, you agree that the present lease in perpetuity is not in the interest of the State, but you do not want it changed so that it would be a fair thing for the State?—It would be a fair thing to the State, but, bear in mind, it might not be a fair thing to the farming community, who do not have the rosy time they are supposed to have. The present lease is best for the farmers because they have good tenure.

119. If the present lease is not fair to the State but is fair to the tenant, should there not be a little giving by the tenant?—No. We want surety of tenure, and every farmer will agree with me in saying that. Revaluation is one of the causes of the breakdown of your small grazing-runs. Under a short tenure a man has no heart.

120. Are there many small grazing-runs unoccupied?—Go into the back country. Every day they give that out as their reason. They will not surface-sow or try to improve the land because they get to the end of their leases.

121. I understand the objection to surface-sowing is purely because there is no valuation for improvements at the end of the lease?—Of course, it is. That is because he comes to the end of the lease; but we will not get to the end of our lease.

122. *Mr. Johnston.*] Have you been farming all your life?—Yes.

123. On any country other than this class of country?—Yes, I have been on all sorts.

124. Do you know the high country?—I have been shearing on the high country.

125. Is there any Californian thistle about this estate?—Yes, a little. I do not think it is increasing.

126. What are you doing to keep it down?—Chopping it down.

127. Does it increase if you cultivate where it is?—I cannot say, because I have not had much experience with it.

128. Is there any ragwort?—I do not know what it is.

129. *Mr. Matheson.*] You think the lease in perpetuity is the most secure tenure and better than the freehold tenure for the tenant?—I do not say it is better than the freehold.

130. Suppose you are doing very well on your lease in perpetuity and saving money, do you see any harm in allowing the tenant to gradually purchase his section out of his savings?—That is another way of breaking the lease.

131. I mean, looking at the future. We want to make the country as productive as possible, and our object is to settle the land as well as possible; and in order to do so it is a question of what will most encourage the farmers. Suppose future leases contained a clause giving the tenants the right to gradually pay off the capital value out of their savings, or if a rich uncle died and left them £1,000 they had the right to pay that amount off, do you think the State would be wise to give them that option, seeing that the State would get back all it had expended, and that the land would be there for the State to tax?—I think under the present system the State would be left with the debt and minus the money if the purchase price was paid off to-morrow morning.

132. If they sell out the Government would get the money?—It would give them more money to spend.

133. Do you not think in arranging the matter under a new law it is reasonable to suppose we have got honest administrators?—I do not say we have got dishonest administrators, but it is money taken from London specially for this Land for Settlements Act, and, in my opinion, if they gave us the right to purchase to-morrow the purchase-money should be sent straight back to London.

134. Suppose it were a condition that all money received from the estates were handed back to the people from whom borrowed?—I would not agree to that, then. I would like to have the freehold, but I would not agree to that.

135. You think it wise to give the freehold on any terms?—No.

136. You do not think it wise that the State should give you what you like?—No.

137. *Mr. Forbes.*] Do you say the examinations for the ballot are a farce?—Yes.

138. In what way?—Because any fellow with brains can beat the Commissioner every time.

139. Do you not have to show your bank-book?—If you have not anything you can get a pal to lend some money to you.

140. Does it not show you are trustworthy when a friend will lend you a few hundreds on no security?—Still, the Board do not know that it is not yours.

141. It has been suggested that the Rangers give a good deal of trouble and interfere a good deal: do you find that is so here?—No. I have been under the Ranger both here and in Canterbury, and I have always found them fair, just, and reasonable persons.

142. *Mr. Anstey.*] I understood you to say you are perfectly satisfied with the cropping conditions in regard to your land which you are renting at 7s. per acre, but you think there ought to be some relaxation in regard to higher priced land?—Yes.

143. You have told us you were at Waikakahi: have you known any of the land on the other

side of the river to be cropped continuously for a good many years—say, ten or twelve years?—I know one paddock at Willow Bridge from which eight or nine crops of wheat were taken in succession.

144. Can you tell me whether the later crops were much worse than the first one?—The later crops were a bit better, because the first ones were all straw. The last crop went 35 bushels.

145. Had the yield diminished?—It had diminished, and they had to spell the ground. I consider that was ridiculous cropping. It was not good farming.

146. Would it not be very much better that a condition should be put in a lease in regard to the cropping of good alluvial land such as that, rather than that the cropping should depend on the good-will of the Ranger?—Yes.

147. Supposing that very rich land is laid down in grass immediately after two crops are taken off, does not the land become too foul?—Yes.

148. Then, is it not necessary to crop it more than twice in succession?—Yes.

149. *Mr. McCardle.*] You said there was not a fair opportunity at present for a successful small settler to enlarge his holding?—Yes.

150. You are aware of the Act that limits the amount of land any man may hold direct from the Government?—Yes.

151. Then, is it your opinion that if you hold a lesser amount than the limit you ought to be allowed to take advantage of the Act and acquire more land if your section is too small, whether the land adjoins your holding or not, and that residence on one section should be sufficient?—Oh, no. What I mean is this: if you hold a small section in a settlement here, and you get to the position when you can take up a larger section in another settlement, say, at Greenfield, for instance, I think the Land Board should allow you to go in for the ballot the same as any other selector, and if you are successful and secure a section at Greenfield, then I think a certain time should be allowed you to transfer your present holding to another tenant. I do not think a man should be allowed to hold the two sections.

152. In the case where a man holds a small section, and the growth of his family makes it necessary for him to increase his area and he does not want to part with his home, do you not think he should be allowed to extend his holding, even though the other land may be some little distance from his homestead?—Yes, if it is only some little distance away, but I would not allow him to hold another section in another settlement.

153. Would you allow him to do so in the survey district?—No; I would limit him to the settlement.

154. *Mr. McCutchan.*] What is your reason for not allowing a man to take up another section even a few miles away, provided the area is within the limit allowed by law?—I should consider if he was holding sections in two different localities he was occupying two men's livings, and that is not the intention of the Land for Settlements Act.

155. Your point is that a man goes on to 50 acres, as you did, and after years of toil he makes things comfortable, and has a certain amount of attachment to that place, why if he finds he requires more land should you force him to part with the 50 acres in order to get a larger area?—He might hold two places a hundred miles apart.

156. Surely, that is a matter for himself, and if he likes to go away a hundred miles well and good?—I cannot agree with you.

157. You object to the principle of loading: have you had any experience of the spending of loading in connection with roads?—I would not like to express an opinion. I saw them making a road once.

158. I do not wish to force you, but it seems to me extraordinary that you should hold an opinion on a matter that materially concerns yourself and not express it?—The road-making reminded me of Pharaoh building the pyramids—they did not seem to be in a hurry.

159. *Mr. Hall.*] I think you stated that the lease in perpetuity is not a good tenure for the State?—Yes.

160. For what reason? Is it because some of the sections turn out bad and are thrown back on the hands of the State?—No. Those sections have to be revalued.

161. Is that where the loss to the State would come in?—I answered the other Commissioner by saying the benefit was in having such a good tenure and no revaluation of it.

162. It does not matter at what price the land is taken up the tenant always get it at the same price, but if there was periodical revaluation the State would get the benefit of it?—That does not say that the present tenure is a loss to the State.

163. Does not the rent pay the full interest on the purchase-money of the land?—Yes.

164. Then, where does the loss to the State come in, unless it is in consequence of sections being thrown back on the Government's hands?—There is no actual loss, but if there had been a revaluation clause there would have been a gain to the State. That is the reason why I am against any breaking of the lease either by reducing the rent temporarily or by going for the freehold, because I do not know what we may get.

165. *Mr. McLennan.*] Do you know of any Crown tenants who have sold the goodwill?—I bought the goodwill of a section.

166. Do you think it right that they should be permitted to go to the ballot again for a certain time after selling their goodwill?—Yes; if a tenant can show he is prepared to take up a much larger holding, because I would not bar any man's advancement.

167. *Mr. Paul.*] Have you heard of any proposal to revalue the leases and make the revaluation apply retrospectively?—I think, from what I can gather from the statements of Messrs. Ell, Laurenson, and others, it is for revaluation that they are working.

168. Do they want to revalue your lease?—Yes, if they could get it done.

169. Supposing the Crown tenants reopen the leases, would you complain if these people wanted a variation: do you not think that if the leases are reopened for the Crown tenants they

cannot complain if other provisions are inserted?—If the Crown tenants stand together unanimously I think their position will be simplified.

170. If the Crown tenants want the contract broken they may gain an advantage on one hand, but on the other hand it may result in a disadvantage?—I would have no pity for them under those circumstances.

171. Is there a branch of the Farmers' Union here?—Yes.

172. Is it in favour of giving you the option of the freehold?—I do not know.

173. Do you know that in other parts of the colony they are advocating the option of the freehold?—Yes; I believe they are.

174. Do you know why they are advocating it when neither the tenants nor the country are asking for it?—I suppose they think they are looking after our good.

175. Would it not be just as well to let you look after your own good?—Yes; but perhaps they have an axe of their own to grind.

176. *Mr. Anstey.*] You said you were in favour of allowing a small settler at the ballot a larger section on the condition that if he were successful in obtaining a larger farm he should transfer the smaller farm to a suitable tenant?—Yes.

177. The reason is that as soon as a settler is successful and he is able to get a larger section he should be allowed to do so, thus enabling a settler who is not so well off to get the smaller section?—Yes.

178. *Mr. Forbes.*] Have you ever heard of a small settler making a transfer to a friend temporarily while he ballots for another section?—No; you cannot do that with Government land.

JOHN MATHESON McCRAE examined.

179. *The Chairman.*] What are you?—I am a farmer on the Elderslie Settlement. I farm 426 acres, and my rent is 8s. 9d. an acre. I have held the land for about five years. The section is under lease in perpetuity, and the tenure is satisfactory to me. I must say that I have been under various landlords in the colony since the early days, and have had a good deal of experience with landlords and their workings. I think the lease in perpetuity is the best tenure.

180. Have you any yearning for the freehold?—No, I have not; but when the time has arrived when the Government is prepared to give me the freehold I will accept.

181. It has been suggested that it might be a good thing to allow tenants to pay up the capital value gradually?—That is a subject I have been thinking over, and I am of opinion that it would be very unwise for the Government to give the freehold on condition that it was to be paid up—that is, that I as a Crown tenant should be obliged to go into the hands of the money-lender. I certainly say that the Government should be the mortgagee until I was in a position to meet my liabilities to the Government.

182. Would you approve of paying the money off just as you had it?—Yes, I think gradual payment would be best.

183. When you were in a position to pay off do you think the Government would require a revaluation of your land?—I think in that case that any improvements made on my farm, in the shape of levelling the land and ditching and other improvements, should be my own. I think that any valuation that is put upon the property from the time I take it up I am legitimately entitled to it.

184. *Mr. Hall.*] Is it your opinion that the settlement of the land under the lease-in-perpetuity system has promoted the prosperity of the country?—Yes.

185. You also consider that it is safer to hold land from the Government under a rental than to get the freehold and go into the hands of the money-lender?—Yes.

186. The question has been often raised that if the Government make any concession of rental that might make the case itself invalid: have you any opinion on that?—No, I would not like to give my opinion on that point.

187. But you believe unless the lease itself is cancelled any concession of that kind cannot make it invalid?—That is so.

188. *Mr. Paul.*] Are you satisfied with the present constitution of the Land Board?—I am.

189. Nothing has come under your observation to make you think a change in that respect is desirable?—No.

190. Are there any regulations or restrictions that are too harsh?—No.

191. *Mr. Johnston.*] You said just now that you could prove that there was considerable prosperity in the colony?—I was going to refer to the early days when I held an agricultural lease. That was as far back as 1872, on the goldfields. In those days we paid 2s. 6d. an acre rent for fourteen or twenty-one years' lease, and we had the right of purchase for £1 10s. an acre. Still this 2s 6d. an acre was going on, and we had tutu and rough country to contend with, and I must say in most cases it was a failure. The only advantage was that we were allowed to run stock at a low rental.

192. You were going to produce documentary evidence?—I have read that there is a great deal of clamour about the deferred-payment system. I was one who changed from an agricultural lease to the deferred-payment system. I went down to Knapdale, and I think I could prove that Mr. Donald Reid's policy at that time was a failure.

193. How was it a failure?—I expect some members of the Commission know why. When Mr. Donald Reid's land-tenure came out the sections were put up to auction, and in the case of the land in the district I came from there were some people who paid over £6 an acre, and when the revaluation took place they got the land for £1 16s. an acre. I was paying something over £2 an acre, and after the revaluation I got it down to £1 10s. an acre. Something like two hundred sections were thrown up and revalued, and the Government had to come and help us.

194. You say the settlement was not a success in the first instance?—Yes, for those who paid more than the upset price, but those who were lucky enough to get land at £1 10s. prospered.

195. It was sold by auction, and they gave too much for it?—Yes.

196. The rent was fair after the reduction?—Yes.

197. What was the cause of the exaggerated value put on the land by applicants?—The excitement of the people who were anxious to get a piece of land.

198. What other tenures or land laws have you been under?—I had a freehold.

199. You preferred the lease in perpetuity to any other tenure?—Yes.

200. *Mr. Matheson.*] If the farmers of the colony can be made really contented and prosperous will that be a great benefit to the colony?—Yes.

201. Do you think it would be wise to give settlers a chance of acquiring the freehold with their savings as has been suggested, providing they were not allowed to borrow money to do it?—I should say it would be a benefit.

202. You say that the principle of deferred payment is sound so long as the price is reasonable, and that where it has failed has been in cases where the men offered foolish prices?—Where it failed was in the case of the auction system, and the excitement consequent upon public competition. In all cases men will get excited if they want a piece of land, especially if some one else wants it.

203. *Mr. Forbes.*] If the Government were to allow the holders of lease-in-perpetuity sections to have the freehold, would you be willing that the land should be open again for selection?—The improvements effected by the tenants cannot in many cases be seen.

204. You do not think the improvements can be properly valued?—No.

205. And therefore you do not think it is fair that compensation should be allowed for improvements and the public get a chance of getting the altered tenure?—I think it would be doing the tenant harm if revaluation took place.

206. You think it would be much better for the tenant to stick to his existing lease than to try and take up the freehold under revaluation?—Yes.

207. *Mr. Anstey.*] I understand you to say that two crops in six years is suitable for this class of land?—I would not like to say that, because there are farmers and farmers. A practical man will go on his land and work it to his own advantage and make money on it. Another man may go on to his farm with double the capital and be a total failure.

208. But, still, there must be some cropping restrictions?—If a farmer farms his land as he should I do not think our present Land Board will interfere with him—that is, if he does what is just and honest.

209. You know nothing of the Advances to Settlers Office?—No.

210. *Mr. McCardle.*] If the Government decided upon a fair value for the land, and the land was to be disposed of at that price, do you not think a proper way of doing that would be to grant the freehold if the tenant was not contented with the lease as it stands at present?—Yes; that would be my argument.

#### JOSEPH BATES examined.

211. *The Chairman.*] What are you?—I am a farmer, and farm 496 acres in Elderslie. My rent is about 8s. 3d. per acre. I have been here about five years. I find my holding satisfactory in every way. I get on very well with the Land Board, and am satisfied with my tenure.

212. *Mr. Hall.*] Are the tenants in this district generally satisfied?—I think so.

213. On the whole, do they farm the land fairly well?—Yes.

214. They are not failures?—No, I do not think so.

215. *Mr. McLennan.*] You say the tenants in this district are satisfied. Supposing a referendum was taken, do you think it would be in favour of their getting the option of the freehold?—I do not know. I am quite content.

216. How many settlers do you think would be in favour of the Crown tenants getting the freehold?—I cannot speak for any one but myself.

217. You think that the policy of breaking up large estates and settling them has been a good thing for the colony and for the settlement of the district?—Yes.

218. You think the lease-in-perpetuity is the best system?—Yes.

219. *Mr. Johnston.*] You do not know of any settler in the block who is dissatisfied with the Land Board?—No.

220. Have you had any experience of the Advances to Settlers Office?—No.

221. *Mr. Matheson.*] Have you had any experience of bush settlement?—No.

222. Do you think that, in a case where a man takes up bush land at the upset price of £1 an acre and fells the bush, it would be wise to give him a chance of acquiring the freehold?—Yes.

223. *Mr. Forbes.*] But you think the lease-in-perpetuity system is the best in the interests of the settlement of the country?—Yes.

224. *Mr. Anstey.*] Have you had any experience of the ballot?—Not much.

225. Do you know anything about the second ballot?—No.

226. Can you tell me whether the farmers in this settlement, generally speaking, farm their land well?—I believe they do.

227. Do they farm it as well as the freeholders?—Yes; I believe so.

228. Are they putting up good buildings on the leasehold land?—Yes.

229. Are the buildings as good on the land of the leaseholders as those on freehold land?—They are quite as good, and I think the farming is quite as good.

230. *Mr. McCardle.*] You have thought the question out, and you are prepared to go on with your leasehold rather than apply for the option of purchase?—Yes.



231. Supposing the Government were voluntarily to say that they were going to grant the freehold, you think the settler should have the option, if he thought fit to take it?—I think they should stick to the agreement made with the Government.

232. If the Government did propose to give the option of the freehold, you do not think it would be fair that somebody else should have an opportunity of getting a section now held by a tenant?—No.

233. You think the present tenants should have the right of the option?—Yes.

JOHN BROWN STEELE examined.

234. *The Chairman.*] What are you? I am a farmer on the First Windsor Park Settlement, and have 230 acres. I pay 12s. 6d. an acre, and am loaded with improvements on the place—making £193 to be paid off in twenty-one years. That makes something over £200 by the time I pay it off. I pay about £15 a year for twenty-one years. That is for buildings, sheep-yards, and dip. I have been there about three years. I do not think that the First Windsor Park Settlers have got justice in regard to rebate. Rebates have been given in the case of other estates in this neighbourhood, yet we on the First Windsor Park Estate have not got it. I have a letter here, dated the 22nd December, 1902, signed by the Receiver of Land Revenue, in which he says, "I have to state that no rebate is allowed in respect to Windsor Park sections." I do not say that Windsor Park is overvalued, but I say that Elderslie is a better bargain to the settlers there by about 2s. to 2s. 6d. an acre. The two estates adjoin each other. There is only a gorse fence between them. In the one case the rental is 8s. 8d., and in the other it is 14s. 3d.

235. You do not think Windsor Park is too highly valued?—I do not say that, but I consider that I am paying a good rent for my land. I do not consider that Windsor Park is unduly valued considering the seasons we have had since I came here. I consider, from the state of my land, that I cannot farm it with the restrictions at present imposed by the Land Board. It is a dirty farm, and most of the land in my neighbourhood at Windsor is also dirty.

236. Would you like to be allowed to crop more?—Yes.

237. But you would hardly be prepared to recommend any cast-iron rule as to cropping?—No. The Ranger is present, and the Commission may ask him if he does not think I farm my land well. I think it would be better if some alteration were made in respect of restrictions as to cropping.

238. *Mr. Johnston.*] You knew what you were doing when you took up your land?—Yes.

239. You were satisfied when you took it up?—Yes; but it has turned out to be dirtier than I took it to be.

240. What is the matter with the land?—It is overrun with couch, and there is also some Californian thistle on it.

241. You want the right to crop more?—I said I wanted the right to use my own judgment with regard to more cropping. As to what is called "white cropping," it might suit me to take one white crop off one portion of the land and in another part of the section to take two crops off in succession.

242. *Mr. Anstey.*] Have you applied to the Land Board to get a concession as to cropping?—Yes. That application was granted, but I do not think I should have to write to the Land Board for every alteration of that sort.

243. How often does the Ranger come round?—I think, about twice a year.

244. You have had no difficulty in respect to him?—No.

245. You would not suggest doing away with all cropping restrictions?—If a man puts substantial improvements on his land I do not think it would be injurious to the State to make some alteration with respect to restrictions as to cropping.

246. You think cropping restrictions might be done away with if the settler puts sufficient improvements on the land?—Yes; I think the interests of the State would be safeguarded.

247. *Mr. McCardle.*] You have had experience on a farm?—Yes, I was brought up on a farm.

248. You think the suggestions you have made to the Land Board are fair and reasonable, and ought to be complied with, especially as you have made permanent improvements?—Yes.

249. *Mr. McCutchan.*] With respect to the rebate, are you aware that it is in the discretion of the Commissioner to grant rebate?—Yes.

250. What rebate is usually granted in this district?—In Elderslie it is 10 per cent., and I believe it is the same at Maerewhenua and Tokarahi, and it has also been granted at Second Windsor Park.

251. Did you pay your rent within a month?—I was prepared to do so if I could get the rebate, but I was informed no rebate would be granted.

DAVID BARRON further examined.

252. *The Chairman.*] You are Commissioner of Crown Lands for Otago, and I understand you desire to make a statement in reference to the evidence which has just been given by the last witness?—Yes. All these estates were gone carefully through by the Receiver of Land Revenue and myself, and when it was ascertained or understood, from the information we had and from our own knowledge of the land, that estates were bought at a reasonable price—and in this case it was bought at less than we thought the current price to be—we did not deem it necessary to allow rebate. In the case of estates bought at a full price we have the power to grant a rebate up to 10 per cent., but in this case the land was bought at £1 an acre less than its value, and therefore we did not grant any rebate. I may say that in individual cases—and perhaps in Mr. Steele's case—there might be hardship, because probably all the sections were valued equally, and his sections may not have turned out so good on account of the couch-grass that he refers to, and on account of other circumstances. We recognise in his case that the land is somewhat sour, and it is valued at a little less than some of the adjoining sections, but it may have turned out even worse

than we thought, and probably in his case a rebate might be necessary, but we do not give rebates to individual settlers in the one block. I may add that this question is to be considered in connection with one or two other estates, and probably a rebate may be deemed necessary.

253. *Mr. McLennan.*] Was there any other reason that came under your notice?—No.

254. Was there anything about land-tax or county rates?—No. The Receiver and I went through all the estates and carefully considered each on its merits.

255. *Mr. Johnston.*] Are there any tenants behind with their rent in these blocks at the present time?—There is always a proportion of tenants who are behind time, but nine-tenths or more of them are paid up.

256. *Mr. McCutchan.*] In reference to rebate when it was originally granted, was it not granted for the reason that there was a margin over and above the cost to the State which admitted of rebate being given?—No, there was no margin.

257. Is there not a margin which admits of the 10-per-cent. rebate being given without loss to the Government?—That is a question I cannot answer.

258. Some people say there is a margin which admits of rebate being given without loss to the State?—I do not care to interpret the intentions of the Legislature in a case like that.

259. *Mr. McCardle.*] Is it not the fact that tenants were keeping back their payments to the last moment, and in order to get prompt payment the Government agreed to grant a rebate?—No doubt the rebate induces tenants to pay more promptly. I do not remember exactly our arrears, but I think they dropped from £10,000 to about £2,000 in a very short time. That showed clearly that the settlers were taking advantage of the benefit of the rebate.

260. It has been stated that there is a profit over and above the interest that is paid on the estates—that there is always a margin left clear?—According to the annual returns there is a substantial profit. I think last year it was about £50,000.

261. *Mr. McLennan.*] Is the 10 per cent. a rebate or is it interest on the half-year's rent paid in advance?—According to law the rent should be prepaid.

262. And they are getting interest for it now?—Yes.

263. *Mr. McCutchan.*] Why should the discount for cash payment be varied?—On account of the particular circumstances in each case. In the case of a man who pays full value or perhaps a little more for his land, the full rebate of 10 per cent. is allowed, whereas in other cases 5 per cent. rebate is allowed, and in other cases no rebate is given.

264. That cannot be a discount for cash?—No. I may say that some Crown Land Commissioners simply give the 10-per-cent. rebate in all cases.

SAMUEL JAMES DAVIS examined.

265. *The Chairman.*] What are you?—I am a farmer, and have 69½ acres in Windsor Park No. 1. I pay 11s. rent, and have been there for three years. I have been dissatisfied with my position about the rebate not having been granted to me. Also, I think that the cropping restrictions are rather strict in the case of small sections the same as mine.

266. *Mr. McLennan.*] Would you be in favour of giving more discretionary power to the Land Boards?—Yes, I think that would be better.

267. Is there any couch on your land?—Yes. I have ploughed it four times to try and kill the fine couch.

268. *Mr. Paul.*] I understand you are satisfied with everything except in respect to the rebate and cropping regulations?—Yes.

269. *Mr. Johnston.*] You want the rebate because the tenants in No. 2 have got the rebate?—I do not like to be treated differently from others.

270. If this land was in the market would you be willing to take it up?—Yes.

271. Would you be prepared also to pay a little more for it?—No, I do not think so.

272. *Mr. Anstey.*] Have you applied to the Land Board for permission to vary the cropping restrictions?—No. I have been told they have not the power to vary the conditions.

273. I suppose you would not advocate the doing-away with the cropping restrictions?—No. Our cropping restrictions are as to one-half, but at Elderslie they are allowed to crop as much as they like.

274. *Mr. McCardle.*] You said you want the Board to have more discretionary power. Are you not aware that the Board can exercise discretionary power, and has done so in respect to the 10-per-cent. rebate? Do you not think it would be better to remove the responsibility of the Land Board as to that?—I meant in the matter of cropping; but I think the law is not plain enough in respect to rebate.

275. You think the law should be made general in respect to rebate or not at all?—Yes. I think one person should be treated the same as another in that respect.

276. If the Government paid £1 an acre above the value do you think the tenants ought to be penalised for that?—No.

GEORGE LIVINGSTONE further examined.

277. *The Chairman.*] You wish to make a further statement?—Yes. In regard to the rebate, I may say that about three months ago the settlers asked me to bring this matter before the Minister of Lands, and he told me distinctly that it was his wish that they should get the rebate. I think Mr. Barron understood that these settlers were just as much entitled to it as the settlers in any other settlement, and I am sure it is the wish of the Minister of Lands that they should get it.

*Mr. D. Barron* (Commissioner of Crown Lands, Otago): I do not think it is fair for Mr. Livingstone to make that statement, and I do not think he is justified in doing so. He may have had a private or an official communication with the Minister of Lands; but I do not think he should come here and advertise it, and throw upon me the onus of the refusal to grant the

wishes of the settlers here. I think, moreover, especially in view of his position as a member of the Land Board, that he should not have said what he has done here to-day.

*Mr. Livingstone* : I think, as a member of the Land Board from this district, I have a perfect right to say what I have. I was asked by the settlers to interview the Minister, and as a result I told them the Minister was in favour of giving the rebate, and I expected it would have been done at the last meeting of the Board. I have not drawn attention to this matter with the intention of doing Mr. Barron any injury.

THOMAS O'CONNOR examined.

278. *The Chairman.*] What are you?—I am a farmer, and have 75 acres of freehold in Windsor Park. I pay 4½ per cent. interest and 1 per cent. on the principal. That is, I pay 5½ per cent. interest and sinking fund. If I go on paying for thirty-six years and a half the land will be my own. I have paid seven instalments, and as I have reduced the principal by a certain amount I do not think I should be called upon to pay interest on the whole amount.

*The Chairman* said that was a matter that was outside the scope of the Commission; they could not deal with it.

NGAPARA, THURSDAY, 30TH MARCH, 1905.

EDWARD STURROCK examined.

1. *The Chairman.*] What are you.—I am a farmer holding 650 acres under lease in perpetuity on the Elderslie Settlement. I pay 6s. 6d. an acre rent, and I have been on the place for four years.

2. I suppose you carry on mixed farming?—Yes.

3. Are you satisfied with the holding?—Yes, and the tenure and the rent.

4. Is there any matter that you would like to bring before the Commission?—I am not very well satisfied with the Advances to Settlers Office. I applied two years ago for an advance of £300. My improvements were valued at £750, and I was only offered £150. I did not take it, as that amount was no good to me.

5. Was any reason given why the application was cut down?—No; the Government valuer valued the improvements, and I did not even get returned to me the valuer's fee.

6. I suppose you had to get the money elsewhere?—I had to do the best I could.

7. Are you satisfied with the conditions with regard to improvements?—Yes, I am satisfied with the cropping conditions too.

8. *Mr. McCardle.*] You consider, I suppose, it is the first duty of the Government to make advances on their own property?—Yes.

9. It is proposed now to make an amendment to the Advances to Settlers Act in order to enable the Board to advance up to three-fifths of the settlers' improvements or interest in the land. Do you think that would be right and proper?—I think the limit should be increased, as a half is not enough.

10. Do you think that would be satisfactory to the settlers and safe to the State?—Quite safe to the State—it is their own land.

11. Have you any objection to the ballot?—I do not believe in the grouping system.

12. Do you think there should be any inducement to the settlers under the lease in perpetuity to purchase their holdings?—No; I think it would be better for the settlers and for the State that they should not.

13. Have you any experience of rough country?—Yes.

14. Bush country?—No.

15. Do you think that, where settlers go into the back country and hew out homes for themselves, away from all the conveniences of centres and schools, and so on, they are entitled to the freehold?—No, they go there with their eyes open.

16. They are compelled to apply for the land under the lease conditions. The land is only worth a few shillings, and they are compelled to put on improvements worth £4 or £5 per acre. Do you not think that they are entitled to the freehold?—No, I do not.

17. The Government comes to your rescue and buys an estate which they let you have at 5 per cent. on the cost of the estate, but in the case of the bush settler, he goes to a place where there are no improvements at all. He has to borrow money to make roads, and he pays for all his own improvements. Has he not a right to the land?—It belongs to the State. I have improved my farm in the same way.

18. From the bush?—No.

19. Your answer does not apply to the North Island?—I say the State bought the land.

20. They got it from the Natives in many instances for 2s. 6d. per acre, and they sell it to the settlers for 10s.?—A man is a fool to go there when there is plenty of land to get elsewhere. Let the Natives work that land.

21. *Mr. McCutchan.*] Your answer to Mr. McCardle had reference to the land bought under the Land for Settlements Act, had it not?—Yes.

22. With reference to this loan that you applied for, you had to fill up a form, had you not?—Yes.

23. In that form did you state the purpose for which you required the money?—Yes.

24. Was the loan-money to enable you to make further improvements or to pay for improvements already made?—To pay for improvements already made.

25. The Advances to Settlers Office only offered you up to 20 per cent. of the value of your improvements?—£150 on £750 of improvements.

26. Was there any reason known to yourself why the loan should not be granted?—No.
27. Were there any noxious weeds?—No.
28. Any rabbits?—Rabbits, of course; we have to keep them to live on.
29. Do you not think that the reply of the Department might have been in some sense due to the existence of the rabbits?—No.
30. *The Chairman.*] Were the rabbits bad at the time?—No.
31. *Mr. Matheson.*] What do you think they refused the loan for?—I do not know; I suppose they had no money.
32. Suppose you took up a lease in perpetuity of the capital value of £1,000, and that you improved it after years of hard work; good times came, and you were enabled to save £1,000: do you think the State would be doing any harm by letting you pay them that £1,000 and giving you the freehold in return?—I think so.
33. In what way would they be doing harm?—Because if I do not want the leasehold there are plenty of other people who do. If I have the money I can get away and buy a freehold somewhere else if I want it.
34. *Mr. Paul.*] You think the proper policy for those who want the freehold is to go into the open market for it?—Yes.
35. And leave the leasehold for those who can only go on to the land under that policy?—Yes.
36. The State have some Crown lands at the present time. Do you think the State should retain the freehold of those lands?—I think that the State should not part with any of the freehold.
37. You think that the State should not sell any more of the Crown lands?—I am only speaking of what I know—the land round here. When you get away to the back blocks of the North Island I do not know much about it.
38. In the North Island there is a large area of land which belongs to the Crown, do you think they should sell the freehold?—No.
39. Do you think that the State should make some equivalent for the freehold?—I think they should give those in the back blocks some show.
40. You would be in favour of allowing them leases without rent?—I do not understand the conditions of that part of the country.
41. At any rate, you would make it as easy as possible for the man who goes on to that land?—They do that now.
42. You understand the difference between ordinary lands purchased under the Land for Settlements Act and Crown lands let under the optional system, by which they can get their freehold. You are opposed to that?—I am opposed to the freehold altogether. I think the Crown should own all the land they possibly can.
43. But on these Crown lands you would give the settler every advantage?—Yes; otherwise they will not go to live there at all.
44. Would you favour those who have not got the right of purchase in their leases getting that right of purchase?—I would not be in favour of the State making leases with the right of purchase at all.
45. Do you know anything about the loading of lands for roads?—We are pretty well loaded now, and have got no roads for it.
46. Have you any opinion to give about the roading of the land?—We pay the County Councils rates for our roads.
47. Was not the road formed before you took possession of the sections?—It is not formed yet.
48. Was any money spent on the roads?—Some may have been.
49. Did you get satisfaction for the money that was spent?—Yes; but they did not do enough of it.
50. *Mr. Forbes.*] Can you suggest anything that would better the advances-to-settlers system?—I think there should be a more liberal advance to the State's own properties.
51. How do you know that your improvements were valued at £750?—The Government valuer valued the improvements.
52. You had that value supplied to you?—Yes; and I filled in a form with regard to it.
53. Did you ask any one to apply to the member for the district to ask the reason why so small a sum had been offered?—I did not ask any one. When beat there I did not think it worth while to go any further.
54. *Mr. Anstey.*] Was the Government valuer sent to make a value when you made your application?—Yes, and I paid him for it.
55. You would not object to the loading for roads provided you got value for it?—That is so.
56. What fee did you pay for the valuation?—£1, I think.
57. You paid it when you made the application, did you not? You paid it to the Department?—That is so. The valuer, Mr. Atkinson, did not get it.
58. You were farming before you took up your lease in perpetuity?—Yes.
59. In this district?—Yes.
60. What was the height of the rough country you have sowed?—I do not know.
61. It was not on the runs?—No.
62. Have you any experience of the grassing of high country?—Yes; on the Albury Estate, near Fairlie.
63. How was it done?—It was done by the hand with cocksfoot. We burnt the tussock and sowed the grass.
64. Was the height of the country 2,000 ft.?—Quite. It was under the snow-line.

65. Was the sowing of the cocksfoot a success?—Yes.  
 66. Have you any idea of the area sown?—No.  
 67. Do you think the high runs can be so sown?—Not too high.  
 68. *The Chairman.*] What part of Albury Estate did you sow?—It was the low downs, from the homestead up the valley.  
 69. *Mr. McCutchan.*] At the time you made the application to the Advances to Settlers Office for the loan what did you estimate your improvements at?—About £700.  
 70. Did the Government valuer say whether his valuation coincided with yours?—No.  
 71. How did you know what his value was, then?—I got it from the valuer himself afterwards.  
 72. Was your rent paid up at the time you made the application?—Yes.  
 73. Did you get the money elsewhere afterwards?—I did not bother about it. I battled through without it.

JOHN FRATER KYDD examined.

74. *The Chairman.*] What are you?—I am a farmer holding 47 acres of lease in perpetuity in Windsor No. 1. I have been there about three years, and pay a rent of 5s. 9d. per acre.  
 75. Are you fairly satisfied with your holding?—Yes, but there is no water on. Two wells that I have sunk have fallen in, and I have sunk another to 10 ft.  
 76. It is only surface-water you have?—Practically so. There is no spring water.  
 77. Did you go over the ground carefully before you applied for it?—Yes, but it was in a rough state at the time.  
 78. You did not recognise that it was badly off for water?—No.  
 79. You cannot get on very well without water?—No.  
 80. Are you cropping?—I have put in some crops this year and I have a few sheep, but I have had to take over a paddock for them.  
 81. Have you any cattle?—I keep a few cows, and have to take them twice a day a mile and a half for water. That is bad for the milk.  
 82. *Mr. Hall.*] How far have you sunk for water?—I went down 20 ft. in one well.  
 83. Did you get plenty of water at that depth?—No.  
 84. *Mr. Paul.*] Are you satisfied with the constitution of the Land Board?—Yes, practically speaking.  
 85. You have not come into collision with the Land Board or Ranger?—No; I am well satisfied with them.  
 86. Are you satisfied with the tenure?—Yes.  
 87. *Mr. Forbes.*] Do you desire a reduction of rent?—No; but I think they might have given me some little allowance on account of my having no water. I have no water whatever. Two sections should have gone into one.  
 88. Have you applied to the Land Board?—No.  
 89. *Mr. Anstey.*] Can you make any practical suggestion that would get over this difficulty?—I am not sure what I could do.  
 90. You hold the land, and if you can make no suggestion you can hardly expect any one else to do so?—No; but they could give me some assistance. I do not know how far I would have to go down to get water, and the walls would have to be timbered and windmills put on.  
 91. Would it be suitable to borrow money under the Advances to Settlers Act and pay interest on it?—That means another speculation, that is all.  
 92. Do you get the 10-per-cent. reduction for prompt payment?—I have never got it.  
 93. Is your rent paid promptly?—Yes; it has always been paid in advance.  
 94. Do you know of other settlers at Windsor getting it?—They said that no allowance was to be made in respect to Windsor Park No. 1 sections.  
 95. Do you not think you had better agitate until you get it?—What is the use. I have been applying for two years and have not got it.  
 96. Have you ever tried for artesian water?—No.  
 97. Do you know of any one in the district who has tried for it?—No.  
 98. Have you ever tried boring?—No, but I know of a practical man who tried for water in that way and it was a failure.  
 99. You do not think there is any way of getting water except by open-well sinking?—No.  
 100. What depth do you go to?—I have been down 20 ft.  
 101. Is your land flat?—No; it is hilly country.  
 102. Do you make a good living on 47 acres?—No, I do not.  
 103. You want more land?—Yes; I have leased from my neighbours in order to keep my stock. I have to do that for the sake of water.  
 104. *Mr. Hall.*] Is there any probability that you got this land at a reduced rental because of the want of water?—I do not know, I am sure. It was practically a waste piece of country when I got it.  
 105. Is there any running water at a higher level than your section?—No.  
 106. *The Chairman.*] How far is your neighbour's spring from your leasehold?—I suppose, a quarter of a mile.  
 107. Has he plenty of water?—Yes.  
 108. Could an arrangement not be made with him by which you could drive your cows down to that water?—It is right in the centre of his land, and I do not think he would allow it.  
 109. *Mr. Forbes.*]—Was your section one of those originally cut up?—Yes.  
 110. It was not a waste section, then?—It is to me.  
 111. *The Chairman.*] Are there any well-contractors in this district?—There are some in the Oamaru district. I was going to write to the Land Board for assistance in getting water, but did not bother.

## THOMAS LUNAM KING examined.

112. *The Chairman.*] What are you?—I am a farmer holding 308 acres on Windsor Park No. 1. I pay 6s. 3d. per acre rent. I am engaged in mixed farming, and have been on the place for about three years. Water on my holding is scarce. There are several springs, but they run short if any quantity of stock is put on.

113. Have you done anything to increase the surface-water in the way of dams?—I sunk one well, but I could not get a supply sufficient to keep a windmill going. My land is hilly, and I dare say there are some good sites for dams, but I do not think they would be workable.

114. Have you any particular point to bring before the Commission?—The only thing I object to in regard to my section is the roading. I have got a road on two sides, but they are of no use to me. The one on the lower side is 150 ft. or 200 ft. above my land, and in order to get my grain out to it I have to go through my neighbour's paddock.

115. I suppose you did not see the inconvenience of this until you took the land up?—That is so.

116. Is there no part of your land fairly accessible to the road?—A small part of it is, but the great part of my section is lying in a hollow. I am quite satisfied with the section, with the exception of the road.

117. Did you make any application to the Land Board?—Yes; but they said they could do nothing with the matter at the time. I wrote to the Minister of Lands also, and he referred my letter to the Land Board, and, of course, I got the same answer back again.

118. *Mr. McCardle.*] Have you had any experience of the Advances to Settlers Board?—No.

119. Do you know of any of your neighbours who have applied for loans?—No.

120. *Mr. McCutchan.*] How long ago is it that you referred this matter of the road to the Minister of Lands?—Six months after I got the section.

121. *Mr. Hall.*] Are several neighbours in the same position as yourself in regard to water?—Yes.

122. Have any of you tried sinking to a greater depth?—I think my neighbour and myself both struck water at a depth of 30 ft., and lower than that we could not go, and the flow at that depth was not sufficient to keep a pump working.

123. Would it not be worth while for the lessees to join mutually in putting down an experimental bore?—I do not think that boring would be a success owing to the formation of the ground. There is too much rotten rock underneath.

124. *Mr. Matheson.*] Do you like the lease-in-perpetuity?—Yes; I think it is a good tenure.

125. Do you think it would be a good plan for the Government to buy up all the land and abolish freehold?—No.

126. Do you think the State would make a mistake in selling a man the freehold after he had proved himself a good settler?—I think they would. They took the estates and cut them up in order to settle the land, and, having secured that object, if they sold the freehold they would get back all the money they had paid.

127. What harm would there be in that?—I think it would close out the unsuccessful applicants for land.

128. *Mr. Paul.*] Do you believe in leasehold or freehold?—Lease in perpetuity.

129. If this policy of buying estates and settling them under leasehold were extended gradually would you object to that?—I would not agree to the State buying small freeholds. I would not object to a man having 1,500 to 2,000 acres of freehold, but when it comes to thousands of acres, I think it is a fair thing to take it and settle people upon it. The amount of land a man might hold under a freehold must all depend on the nature of the country.

130. *Mr. McLennan.*] Is the farm you cart through lease in perpetuity?—Yes.

131. Would it damage your neighbour's farm to take a road through it?—No. It would cut off a small piece of his land, but it would be as valuable to my neighbour. I think he would be agreeable to that being done providing an allowance was made in his rent for the land so taken.

132. *Mr. Anstey.*] If you had better road-accommodation would you be prepared to pay additional rent for it?—Yes, so long as it was not too heavy.

133. Have you any reason to suppose that dams would not be successful?—Yes. The formation of the land is not suitable.

134. *Mr. Johnston.*] Were you farming before you took up this section?—Yes.

135. What stock do you carry?—About four hundred breeding ewes and a few head of cattle. I have about 70 acres in wheat, and another 60 acres lying fallow.

136. What is your average yield of wheat?—About 30 bushels to the acre.

137. What is your reason for liking the lease in perpetuity?—But for it I would not have had a farm at all.

138. Do you know whether any of the settlers in the block are dissatisfied?—No; I think my neighbour and myself are about the only two who are not quite satisfied, and that is because of the want of water and a road.

139. The rent is not too large for you?—No, I do not think so.

140. You are satisfied with the Land Board?—Yes, and if they help me to get that road I will be better satisfied.

141. *The Chairman.*] Are the springs sufficiently strong to flow?—Yes, at certain times of the year, but at present they are not.

## JOHN McMURPHY examined.

142. *The Chairman.*] What are you?—I am a farmer on Elderslie, holding 312 acres lease in perpetuity, for which I pay 7s. 9d. per acre. I have been there between four and five years. I carry on mixed farming, and am satisfied with the lease in perpetuity and everything else about it.

I have plenty of water. I would like to see the lease in perpetuity extended all over the colony I believe the majority of us would never have had a farm at all but for that system.

143. Do you approve of the present constitution of the Land Board?—Yes; my relations with them have always been in every way satisfactory.

144. Have you ever approached the Advances to Settlers Board?—No.

145. Is there any aggregation of estates going on about here?—I think not.

146. *Mr. McCardle.*] Is there any more land available here that the Government could purchase for settlement purposes?—If Corriedale Estate was purchased it could be cut up, and I believe Otekaike Station could be subdivided into a number of farms.

147. Does your opinion of the lease in perpetuity apply to the waste lands of the colony as well as lands purchased under the Land for Settlements Act?—I do not know anything about the waste lands.

148. *Mr. McCutchan.*] Are you quite satisfied about the loading for roads?—Yes.

149. You know, of course, that you are paying interest for the whole term of the lease for roading, and that the interest in twenty-six years will reimburse the State in full for the cost on those roads. Do you not think the loading should cease when the State has been paid in full?—I am quite well satisfied with my holding in every way, but I believe the loading should cease when the State is reimbursed.

150. Do you think it is equitable for the County Council to have the power to levy a rate not only on the capital value of your land, but also on the loading?—No, I think that is unjust.

151. *Mr. Paul.*] Have you been long in this district?—About twelve years.

152. You were here before these estates were cut up?—Yes.

153. *Mr. McLennan.*] You and your neighbours are satisfied with the lease in perpetuity?—I think the majority of them are satisfied with it.

154. Supposing a referendum were taken, do you think that 90 per cent. in this district would say they are satisfied?—Yes.

155. Ninety-five per cent.?—Yes.

156. Does the Ranger give you any trouble?—Not much.

157. He acts fairly in the interests of both the Land Board and the tenant?—Yes.

158. *Mr. Johnston.*] Have any sections in this block changed hands from the original owners?—Yes, two sections have changed hands. In one case the successful applicant did not take up his section, and in the other case the tenant transferred about a month after he had taken the section. The first mentioned made nothing out of the change, but in the second case there was a little profit.

159. If your land was to be put in the market would you give more rent than you are paying at the present time?—I am not sure. I think I am paying any amount.

160. You are satisfied with the rent you are paying?—Yes.

DAVID BARRON further examined.

161. *The Chairman.*] You are Commissioner of Crown Lands and Chief Surveyor for Otago?—Yes. I have been four years in Otago, and in other districts eight years in that position. I have been connected with the Survey Department since 1870.

162. Regarding the constitution of Land Boards, do you think the present constitution is favourable to the proper administration of the lands of the colony?—Yes. Of course, this is rather a political matter and somewhat outside any expression of opinion by a Civil servant. I may say that my experience of the various Boards as now constituted and with whom I have been connected is that they have all loyally worked in the interests of settlement, quite apart from any political party or opinions held by them.

163. It has been brought before us, as you are aware, that though the constitution of the Boards is satisfactory, yet the selections do not cover the province sufficiently, and that at the present time, for instance, your Otago Land Board members all come from along the seaboard?—I believe they should be drawn from the various parts of the district, and more especially from Central Otago, where the conditions are altogether different from those obtaining in the settled portions of the district.

164. In drawing from the different districts do you think the different tenures should be represented? You are aware that there are a very large number of people holding under pastoral tenure, and that there are a large number of small-grazing-run holders and a large number engaged in mining: do you think these interests as far as practicable should be given representation on the Board?—Yes. It has been recognised, as you are aware, that the Crown tenants should be represented on the Land Boards, and I think that the pastoral tenants should also be represented on account of the extent of the interests of that particular class. For instance, the revenue derived from the lease-in-perpetuity tenants under the Land for Settlements Act is £20,121, and the revenue derived from the pastoral tenants is £28,489. That sum does not include small-grazing-run rents, which represent £13,000 in addition. I give these figures for the purpose of illustrating the extent of the pastoral interests and the necessity for these classes being represented on the Board. I also mention it for the purpose of drawing attention to the fact that in the classification of runs we should have on the Board men who are accustomed to pastoral country and have a practical knowledge of it. All the members of the Board are to a certain extent acquainted with that class of country, but I do not know any one of them who has had any practical experience of the working of large pastoral blocks.

165. Having regard to the various recommendations you are now making, do you think the Board would require to be more numerous than it is?—I think the present number of the Board is perhaps more workable than a larger body.

166. The Commission would like to have your opinions on the other questions that come within our scope?—I would just like to add before passing on that the mining interests, so far as



the Land Board is concerned, do not bulk very largely, so that if we had a man from Central Otago he would be acquainted with pastoral as well as mining interests. As a matter of fact, the pastoral lessees very seldom come into conflict with the miners. They work more amicably with the miners than small freeholders and leaseholders.

167. In using the word "conflict," it reminds me to ask you do you think it would be wise to sell the great pastoral areas in the interior of Otago, having regard to the mining interests?—I think it would be inadvisable at the present time.

168. What is your opinion in regard to the various tenures under the Land Acts?—I made a note of the various questions dealt with by the Commission before the Commission started their work, and I will just state them now. The tenures in this district appear to satisfy the bulk of settlers and applicants for land. So far as ordinary close settlement is concerned, a number regret the loss of the deferred-payment and perpetual-lease systems. The present conditions are, however, deemed, upon the whole, to be fair, provided that in all cases (whether on a goldfield or not) the optional system should be allowed. If the object of limiting selection on goldfields to lease in perpetuity is for the purpose of securing the miner better rights and privileges this appears to be attainable by the Mining Act of 1898 and its amendments—that is, miners have full power to enter upon any land granted or disposed of since 1892 and do whatever is necessary, the compensation being practically the same under any of the tenures. If the Government desires to give leases only, I would suggest that lessees be allowed the right to pay off at any time an amount equal to a certain sum as indicated in my suggestion at the Land Boards Conference, and for the reasons therein given. The right thus retained would prevent the aggregation of estates beyond a limit of, say, in the case of first-class land, not more than 1,000 acres, and second-class, say, 2,000 acres. Of course, the limit would apply to close settlement only. The areas of grazing-runs are not included in above. They are conditional on position and quality, aspect, elevation, and workability. The size of pastoral runs also depends on the above. At first sight it might appear that there need be no limit to the area of pastoral leases, but, so far as my observation goes, a run that goes beyond a certain limit proves a most difficult problem of management. The conditions as to large areas of pastoral country under one control have materially altered during the last few years on account of the difficulties in contending with the various pests with which the pastoralist has to cope. The question of the future of runs in this district is somewhat difficult to determine. As a matter of course, the low-lying runs must be subdivided to meet the interests of advancing settlement. At the same time great care must be exercised in classifying what is now left so that the interest of the pastoral and settlement lands as a whole may be equally preserved in the present state of affairs. There is a danger that this may be lost sight of on account of the limited area of low country still unalienated and the natural desires of advancing settlement requiring this low country. Years ago, and prior to the great run sales of 1882, I advocated a thorough classification of the land throughout Otago. Had this been carried out all the agricultural land would have been carefully defined. The pastoral agricultural land should have been marked on our maps in the same way, and the purely pastoral equally carefully classified. This last class should have had a fair proportion of low country for winter lambing purposes. Probably some portions of this would have been agricultural, but, whether fit for cultivation or not, it would not materially matter so long as it could be adapted for giving the necessary lands to keep up the flock, and also to grow a certain quantity of winter feed for young stock. This classification is now almost too late. At the same time, what is still left is worthy of consideration, and the fact that so very many of the leases expire in 1910 will give the Government an opportunity of adopting a scheme of subdivision. This appears to me a matter which should be taken in hand within the next few years so that both intending settlers and pastoralists may know what to expect. To both the present state of affairs means unrest, the settler demanding all the low country and the squatter doubtful of the future, and consequently refraining from attempting any improvements on his run on account of the insecurity of tenure. Were this proposal carried into effect and leases given for lengthened period, with the right of renewal under certain circumstances, there is but little doubt but that grassing would be extensively carried out. The remaining tenures applicable to land in this district are: (1.) Improved-farm settlement. This system has been carried out under difficult circumstances on account of the distances in most cases from markets. This and the difficulty of roading to and through the blocks made the conditions of settlement somewhat hard. (2.) Occupation leases under the Mining Districts Land Occupation Act have proved a considerable boon to the miners in the district, and wherever the Land Board finds it judicious to grant areas under this Act they have given the full benefit of its privileges. Of course, in some cases we have been compelled to refuse these for many reasons, the principal being the prejudicial effect on the present working and future subdivision of the pastoral run on which they are applied for. Doubtless a feeling of irritation is aroused when they are refused, but it is only in cases where the Board is quite satisfied of the probable harm to result both now and in the future that they refuse to grant.

I produce a map showing the area of land held under purely pastoral lease to be 4,464,000 acres.

169. What does the latter portion of your remarks refer to?—To grants of land on the goldfields up to 100 acres under the Mining Districts Land Occupation Act. It was made specially applicable to miners, and has been rather a burning question here, and I thought it would have been brought before you at Matakaniui. We have been compelled to refuse several sections owing to the injury likely to be done to the run on which sections were applied for. In regard to the question of restrictions, doubtless Crown tenants labour under minor restrictions, but nothing to seriously interfere with their welfare. By Crown tenants I mean those who have leases under the close-settlement system or pastoral tenure. Others holding leases or licenses over small portions of Crown lands or reserves are not included in the above category. These Crown tenants, if they have exercised their right to the tenure most suited to their financial means and ideas of settlement, know exactly the Act and regulations before making their choice. They therefore cannot

and very seldom find fault with the conditions of their occupancy. Local circumstances occasionally arise by which a tenant may be unable to carry out his lease. In these cases there might be some method of relief provided by which the Land Board after careful investigation might recommend or grant a substantial reduction in rent, and the right to continue in occupation might be allowed without having to resort to acceptance of surrender or forfeiture, and the contingent delay and expense of *Gazette* and other expenses in advertising, &c. What I mean is this: In some cases a settler finds himself unable to carry on, and he applies to the Board for the right to surrender. We make careful inquiry, and we find that the man is quite unable to continue to live under the rent and other conditions of his occupancy, and we accept surrender and offer it again. Of course, if there is any applicant outside the man who surrenders he cannot apply again, but as a rule the original occupant is allowed to take it up again without any difficulty. But we have to go to all the expense and delay and worry to the man in possession before he can get the right to apply again. It may take two or three or even six months to carry it through, whereas if the Board had the right to accept surrender and grant the man a new lease, after, of course, referring to the Minister in the usual way, it would save a great deal of time and worry to the Land Board and anxiety to the tenant. The same would apply, of course, in the case of forfeiture. We are compelled to forfeit sometimes, and the man in possession would perhaps take it up again if he knew his rent would be reduced, because a man, as a rule, forfeits his section or allows it to be forfeited because he cannot pay the rent or carry out other conditions; and when the Board reduce it (as they invariably do in cases of that sort) the tenant in possession at the time of forfeiture would take it up at once. As things now stand the matter has to be dealt with first by the Board and then by the Minister, and the delay goes into perhaps five or six months, and I have known twelve months. In the meantime the settler does not know if he is likely to get it again, and if the section is unoccupied the improvements deteriorate. If the rent could be reduced at once and the land offered to the original occupant, we would be able to have the land again occupied and get our rent in at once—in fact, there would be no loss of rent beyond what would result from the reduction—and be in a position to keep the section as a going concern.

170. Would not this facility probably increase the number of those who would be coming and begging for remissions, and so forth?—The Land Board have sufficient backbone, as a rule, to resist them. We get intelligent reports from our Rangers, and if we are not satisfied with them we make further inquiry. In fact, we sometimes actually send members of the Land Board to investigate with the Ranger, and in this way we get to the real state of affairs.

171. Do you think you would still refer these matters to the Minister?—I think the Land Board are quite in a position to deal with them themselves. It is rather a delicate question, however, and it is not for me to offer an opinion.

172. If you must refer to the Minister would not the delay occur just as it does now?—No. The Minister could approve or disapprove of our proposals, and if he approved the settler would simply remain in possession at a reduced rental.

173. You mean it would not be surrendered, and then gazetted and offered to any one else?—There would be no delay. Passing on, I wish to say residential conditions appear to be fair, Land Boards exercising sympathetic discretionary power in granting exemption when it is found the settler has *bonâ fide* intentions of complying with the requirements of the Act. There are cases when a man after making his selection may not be in a position to comply with the Act within the statutory period given. In these cases, as a rule, the Ranger makes the necessary inquiries, and if it can then be shown that surrounding circumstances prevent immediate occupation as required by the Land for Settlements Act, or within twelve months in open country, or the more extended term in bush country, then the Board may, on application being made, allow the tenant an extended time within which to have a house erected or other necessary arrangements being made. I do not think it would be wise to relax residential conditions too much, as *bonâ fide* settlers, unless under the stress of extraordinary circumstances, do not ask for or require exemption privileges. The conditions obtaining under the Land Act are quite sufficient for the southern parts of the colony. The home-stead system is not required here. My ideas in connection with the ballot system are referred to in reply to a circular dealing with this subject.

174. You do not approve of the second ballot?—No.

175. In fact, you would simply revert to what was in operation before that?—Yes. The only difficulty in the Land for Settlements Act, so far as grouping is concerned, is that, I think, there should be some method of grouping into two or three or four lots, as the case may be. This would be necessary on account of the various classes of settlers who might wish to apply. A strong man financially might wish to apply for, say, a section of 1,000 acres, and he might be capable of working it. A man with less means might be satisfied to apply for half of that area, and a third class might put in for a limit, say, up to 200 acres. In that case it would be necessary to have the sections grouped so that the Board could deal with the various classes of applicants. In other words, it would never do for a weak man, financially, to be allowed at the ballot to secure a section which would require a considerable amount of money to be expended on it. This is the only system of grouping I would suggest. Otherwise I would have a straight-out ballot, and let the first man make his choice of the section he wanted, and so on.

176. Is the aggregation of estates going on in Otago?—I think it is rather in the opposite direction. There is a segregation rather than aggregation.

177. *Mr. McCardle.*] You have mentioned that you would put certain settlers in for certain sections: in grouping these sections, do you group the capital *pro ratâ* to the value of the section that is being taken up?—Yes.

178. Does it not follow that very often the most suitable section for agricultural purposes is the most highly valued?—That might be so.

179. Is it not a fact that when a man is going on a section that is largely pastoral he requires

a larger capital to work it, even though the section is not so highly valued as an agricultural one?—There might be an occasional case of that sort.

180. Does stock not cost a great deal more than merely agricultural implements and teams to work the farms?—Yes.

181. You mention that you think the Land Boards should be more representative, and you think the different interests should be represented as well as localities?—Yes.

182. You think that of the four members selected by the Government one should represent the holders of leases under the Land for Settlements Act, and another should represent the pastoral tenants: do you not think that the landless people of the colony should also be represented by a member appointed from the towns?—The difficulty with a town member is that he practically knows nothing at all about land.

183. But if there were three other good men with him he would very soon grasp the questions. I think the principle you suggest here has really been in evidence in the Wellington district for a number of years?—Yes. Of course, I would certainly not object to freeholders. We have had, as I mentioned before, members of the Board who were all freeholders, and they acted in the interests of the settlers and the Crown quite as carefully and as wisely, I think, as if they had been Crown tenants.

184. It would be more satisfactory possibly to the settlers if they knew they had some person on the Board from amongst themselves? I would not suggest that all the members should be Crown tenants, because there would be too many interests pulling in different ways.

185. You have shown us a large tract of pastoral land: is it possible to divide these runs in such a way that an increased population could be placed on them as the leases fall in?—To a limited extent only.

186. Would you favour where there is level or low country adjacent to these large runs the Government purchasing it to assist in dividing the large runs?—I have only one in my mind's eye where that would be possible. Any of the land adjacent has become so valuable by improvements that it would hardly pay to group it with the hill lands. I think, so far as the comparatively valueless lands are concerned, we will just have to make the best of a bad job. This question of classification should have been undertaken years ago, and the high land and the low or lambing country should have been conserved together. As it is now, we will have to let the poor high land go for whatever it will bring. The danger is that it may be thrown on our hands eventually, and this is what I am anxious to guard against.

187. Have you had any experience of small settlers, who, finding they had too little land on which to make a living, were desirous to obtain a section to increase their area, perhaps at some little distance from them?—It has been carried on to a limited extent on the latest run taken—that is, Patearoa.

188. I am referring to the small settlers under lease-in-perpetuity or occupation-with-right-of-purchase leases?—Yes; some of these settlers are combining to take up one or two of these hill runs, and in this way they are trying to work in their low country with the high ground.

189. We know that the ordinary Crown settler under lease in perpetuity can only take up 600 acres of first-class land or 2,000 acres of second-class land, but there are many cases where a settler takes up a very small section, and in the course of time he wishes to get more land, but there may be no land adjoining his section, and the Board have no power to give him land unless it is adjacent to his section?—He could buy a pastoral lease. The run I previously referred to was cut up into four small pastoral leases, and the settlers some few miles away bought them. However, this class of settlement is only in its experimental stage, so far as this particular run is concerned. How it may eventuate will greatly depend on a variety of circumstances.

190. I know a case in point, where a man who was only holding 20 acres was not allowed to buy a deceased estate of 30 acres a quarter of a mile away because it did not adjoin his section: do you think the law should be amended to meet a case like that?—Yes. If a man has occupied a section for three years and has held it for that time, he is then in a position to take up a section any distance away.

191. *Mr. McCutchan.*] In going through the province several tenants pointed out that inadvertently they had allowed the period during which they could purchase to pass by under the perpetual-lease system, and we were informed that, under an opinion from the Solicitor-General, that period has been extended?—Yes.

192. Has the fact that it has been extended been generally made known to the tenants?—No, except through the medium of the Press. I do not think that any other intimation has been given.

193. In connection with the amendment Act passed last year, in reference to a division of property under a will, it seems to me such a very important matter and such a vital question in regard to family life that it appeared to be placing a very great responsibility upon one pair of shoulders in giving power to the Commissioners of Crown Lands throughout the colony to say whether a deceased person's estate should be divided as he willed or not: do you not think that such an important question as that should be left to the Land Board generally, and not to the Commissioner of Crown Lands only? I think in all these important cases the Land Board should be considered and consulted, and even in comparatively unimportant administrative cases I invariably consult the Land Board so as to get the opinion of a number.

194. In regard to loans applied for, and for which the sanction of your Board is required, have you any idea of the proportion of these loans that have been refused?—The refusals, of course, do not come through us.

195. But when an application for a loan is made the tenant applying has to inform you that he is applying for a loan, and a report is required from you by the Department: in that way you get a knowledge of what loans are applied for, and subsequently you have to approve, and therefore you know what loans have been granted; and I wish to know if you can, from memory, give

me the percentage of the loans granted by the Department?—I cannot give you the percentage. Of course, the amount of the loan is not mentioned in the application that is sent to me to get the ordinary report from the Ranger. I have no idea how much the loan is, and beyond the application afterwards for the approval of the Board to the loan we are left in the dark altogether.

196. Can you state what number of these loans refused by the Department have been granted by outside lenders, seeing that the consent of your Board has to be given to these mortgages?—In my experience very few applications that have been refused by the Advances to Settlers Department have been granted by outside lending bodies.

197. Have you had any instruction from the Minister as to the maximum rate of interest that was to be permitted in connection with these mortgages on Crown lands?—Yes, the limit was 8 per cent.; but, as a matter of fact, we have had no applications, so far as I remember, for loans beyond 7 per cent.

198. In connection with the "thirds" question, does any good reason occur to your mind why "thirds" should not be paid to the local bodies from cash lands as well as lease-in-perpetuity and perpetual-lease lands?—No; I think they should be paid from cash lands as well as the other leasing systems.

199. You said that the residential conditions are fairly right, but it seems to me there is an inconsistency in one respect. On lease-in-perpetuity bush lands a man is exempt from residence for four years, and from the time he goes into residence he has to reside for ten years continuously; but the right-of-purchase tenant is under the same exemption, but from the time he goes into residence he has to reside six years: is there any reason for such a wide distinction between the two systems?—Certainly not. I think that both should be placed on the same footing, and be required to live on the land at least ten years.

200. Do you not think it would be wise to reverse the position and make it six years' residence?—No; I think ten years.

201. When speaking of the ballot question you made no reference to giving preference to a married man or to unsuccessful applicants in order to do away with the amount of dissatisfaction that exists in connection with the ballot, more particularly in the northern districts?—The question of preference was gone into very extensively at the Land Board Conference, but it was found quite impossible to arrive at any decision in regard to it. So many difficulties arose in connection with preference to married men or men who had been unsuccessful in previous ballots that, upon the whole, we could not come to any decision.

202. In the Catlin's River district we were told that the Minister had vetoed an application for a loan under the Loans to Local Bodies Act asked for by the County Council, and we could not get to the bottom of the matter there: can you supply the Commission with definite information as to the reason why the Minister interfered in the matter?—He did not veto it beyond this: So far as my memory serves me, a question was asked by the County Council as to whether the County Council would be allowed to load these particular sections held under lease in perpetuity, and the Minister refused to allow the sections to be loaded. I could have got the correspondence if I had known I was to be asked the question.

203. I have had a good deal of experience in raising these loans, and it was a matter that never had to be referred to the Minister in any way whatever, and the only explanation that occurred to me in this case is that the settlers wanted to include sections not occupied?—Yes; they mentioned a certain district that they wanted to load, and they gave a portion of the Clutha trust endowment, and all the occupied and unoccupied sections in that.

204. Do you think it was on account of the unoccupied sections that the Minister declined to allow the loading?—Yes, and because these sections had perhaps been loaded previously to the limit. I know, for instance, of a block in Southland with which I had to do, where we were compelled to accept surrenders, and in many cases the rentals had been reduced to the actual amount required to return the loading. On these blocks it would be impossible to borrow any more.

TOKARAHI, FRIDAY, 31ST MARCH, 1905.

LINDLEY WILLIAM MURRAY examined.

1. *The Chairman.*] What are you?—I am a farmer, and hold 462 acres under lease in perpetuity. I have held the section since 1897. My rent is 6s. 9d. per acre. I also hold 15 acres under occupation license at a rental of 1s. 6d. an acre. I am satisfied with the conditions of the lease in perpetuity, and my rent is quite reasonable.

2. Have your dealings with the Land Board been satisfactory?—Yes; I have had no cause for dissatisfaction.

3. You believe in the present constitution of the Land Board?—Yes; but there has been an expression of opinion that the Board, or a portion of it, should be elected. There is a feeling that every public body should be elected. As I have said, I have no cause of complaint against the present Board.

4. In regard to tenures, you are quite satisfied with the lease in perpetuity?—Yes.

5. What are your views as regards the freehold and leasehold?—I am decidedly opposed to giving the option of the freehold. Taking the larger view of the question, I am of opinion that the Government should not part with any more Crown land, and that they should take every means to divide large estates. As to giving the option to the present leaseholders to acquire the freehold, there would be too many risks. I think, in the first place, the State would incur a risk that would not be compensated for by any money they would get, and there is a risk that the land would in course of time get into the hands of money-lenders in some cases.

6. Is there any aggregation of estates going on in this district?—No; beyond, perhaps, cases where a man has not sufficient land, and he may take up a neighbour's section or a part of it, and I think it is quite reasonable that that should be allowed.

7. Was there a double ballot when you took up your land?—I am of opinion that the grouping of sections and the second ballot is not a good system. I think a man should have a chance of going straight out for one or two or more sections. Sometimes, in the case of grouping and second ballot, an applicant has to take a section he does not want or else forfeit his deposit.

8. *Mr. McCardle.*] Do you know anything of the working of the Advances to Settlers Department?—I have had some little experience with it, but it was not satisfactory, and I dropped further correspondence.

9. Do you know anything in respect to bush settlement?—No.

10. *Mr. McLennan.*] You have been a long time in this district?—Yes.

11. Where did you come from before you came here?—I was in Oamaru for fifteen years, and before that was in the Kakanui district.

12. As a whole, is the district in a prosperous condition?—There is not the slightest doubt of that.

13. From, say, 1890 to 1895 was the country prosperous?—No.

14. Why?—Prices were not as good as they are now, and there was also the difficulty of getting land at a reasonable value for cropping or grassing.

15. Did you crop your land?—No; I had a short grazing lease, and the conditions were very severe on the tenant.

16. What rent did you pay?—£1 10s. an acre for wheat and £1 an acre for grassing.

17. Do you know of any people paying £2 and £2 10s. an acre for one crop?—Yes; that was common at that time.

18. Do you think since the cutting-up of large estates there has been greater prosperity in the district?—That has been one means of promoting prosperity, but we cannot give that credit altogether for the prosperity of the country.

19. Do you think that 5 per cent. of the settlers would have been in a position to buy their land and pay for it?—No, I do not think they would.

20. Do you think that the fact of the Government acquiring estates and cutting them up caused some private owners of land to cut up their estates?—I dare say it had something to do with it.

21. *Mr. Paul.*] Are there any other estates in the district that could be subdivided to advantage?—The Corriedale could be divided into fair-sized sections, and I understand that Otekaike could be cut up with advantage for grazing-farms, but I am not so well acquainted with the latter estate. There is a strong feeling in the district in favour of it, so I suppose it must be all right.

22. You are decidedly in favour of cutting up Corriedale?—Yes. It is much needed, and people are looking for it.

23. Do you think the further sale of Crown land should be stopped?—Yes.

24. I suppose you would be in favour of giving big concessions to bush settlers?—I really know nothing of the conditions of bush settlement; but I would be in favour of the Land Boards giving those settlers an opportunity of making comfortable homes for themselves. I am now stating my own views on the question. I look at it from the point of view of the State. The question is whether it is good policy on the part of the Government to part with the freehold, and I say No.

25. You would not give the absolute freehold under any conditions?—No.

26. Are you afraid that if the option were given for the purchase of the land aggregation would ultimately take place?—Yes. The money-lender will get a hold on many of the sections. I do not say that large estates would be aggregated, but a worse form of ownership would come about—that is, the ownership of those who do not work on the land.

27. The settler on the land would be the owner in name only, and the real owners would be one or other of the financial institutions?—Yes; that is one of my objections.

28. *Mr. Johnston.*] You said that previously you were cropping?—Yes.

29. Where?—Near Oamaru.

30. What estate?—Private land.

31. You were paying £1 10s. an acre?—Yes.

32. What was the yield per acre?—The yield in oats was about 40 bushels, but the frost took the wheat, and I did not thresh it, but I had to pay the £1 10s. all the same. I had a lease of a farm which I cropped in rotation in the usual manner, and I paid £1 an acre. I got about 30 bushels of wheat and 50 bushels of oats—that was about the average yield. Owing to having some business in the town I was able to do pretty well—I was selling milk in the town.

33. Have you had anything to do with the Advances to Settlers Department?—I made an application when I first came here for an advance for building purposes, but, owing to certain difficulties, I dropped further negotiations.

34. *Mr. McCutchan.*] What do you mean by saying you are opposed to the absolute freehold?—I am opposed to the Government parting with the absolute freehold.

35. You are averse to the State selling any more Crown land?—Yes.

36. Was the block upon which you are settled loaded for roading?—I suppose so, to some extent. There were some new roads made. I have no cause of complaint.

37. You have to pay interest upon the roading?—I suppose it was loaded on the value of the estate, and the cost of the roads was added to the cost of the estate.

38. *Mr. Forbes.*] Have you a branch of the Farmers' Union in this district?—Yes.

39. Was there a petition sent down by the Farmers' Union and circulated in the district asking for the signatures of Crown tenants to get the freehold of their sections?—I think not.

40. *Mr. Anstey.*] Can you tell us in what way the Advances to Settlers Department did not suit you?—I made an application through the agent here for £100 to enable me to complete my buildings. The house was in course of erection at the time. The rents are payable in advance, and I did not pay my rent in advance for the second half of the year. Owing to the reason I have indicated I dropped negotiations with the Department and made arrangements with a private party.

41. Is there any more difficulty in a lease-in-perpetuity settler getting an advance than any other settler?—I have had no difficulty in dealing with agents, and I believe if I wished an advance on my farm I could get it without any trouble.

42. *Mr. Forbes.*] In respect to cropping regulations, do you find them all right?—As far as I am concerned they have been right enough, but I think there are times when the Land Board might use a little more discretion. I am not blaming the Board. I think the Board has been fair to us.

43. Do you not think after a man has put sufficient improvements on the land and has shown that he has a good interest that these cropping regulations might be almost done away with?—I think so, as long as the Ranger was satisfied that the tenant was not going to too great an extreme. At present the Land Board and the Ranger treat us very fairly. Still, I think the law should allow the Land Board some discretion.

44. When a man has a value in his section almost as large as that of the State do you not think that the section might be treated almost as a freehold?—No man would think of overcropping or destroying his land in that way, because it would really mean drawing on the future.

45. *Mr. Matheson.*] You referred to bad seasons. Do you think it would be right for the Government to give a rebate in the case of very good seasons?—That opens up a very wide question. While the Advances to Settlers Department has a surplus I think it is quite right that they should make concessions to a tenant who has had the misfortune to take up the land under extraordinary conditions, and who has suffered owing to bad seasons.

46. Supposing he had extraordinary good luck, and also good luck as to prices and seasons, do you think he should be asked to pay additional rent?—That is coming so near to socialism that I would not like to give my views upon it.

47. Do you not think that would be equitable?—I cannot deny the equity of it, but it would alter the whole of the present conditions of our tenure.

48. So that, really, you believe in revaluation for rent?—I do. I regard the revaluation principle as sound, but the intervals would need to be very long, because we cannot expect these rents to remain in force for the next 999 years. We know that land will increase in value. I think if revaluation occurred too often it would stop improvements. I do not think there should be revaluation oftener than, say, fifty years—an average lifetime—and then it could only be on bare land values. If a man improved his land by buildings, ditching, &c., that should be his actual property.

49. Suppose the whole of the country were subdivided into farms of the right size for a man to make his living off them according to quality and position, and the freehold was given to such men and they were allowed to pay it off out of their savings, do you think it would be wise for the State to have small freehold farms?—I am not in favour of small freehold farms.

50. I mean in areas suitable to make the land productive?—I am not in favour of freeholds; I think the State should own the land. I would suggest that under the lease in perpetuity we should be allowed to subdivide the land amongst our sons.

51. You really think the country would be more productive with the Crown as a landlord than with the occupier being a freeholder?—I do not think it would be more productive.

52. Which way do you think the balance lies with respect to productiveness in the case of freehold or leasehold?—As long as the tenure is secure in the case of the leasehold there will be the same productiveness as in the case of a freehold. I take the same interest in my lease-in-perpetuity land as if it were a freehold.

53. *Mr. Hall.*] You spoke of the revaluation of these leases increasing the rental from time to time: do you mean that the existing leases be upset and a new tenure adopted, or that it should only apply to future leases?—I think if it is applied it should be applied universally, because we know that revaluation must come in some form or other.

54. Would it be a dangerous thing to upset tenures that are in existence when the State and the tenant entered into a contract, the same as if it were a freehold?—There are some tenants who ask to upset the present arrangements, and they want the freehold. I do not want to do that.

LEWIS DASLER examined.

55. *The Chairman.*] What are you?—I am a farmer, and farm 376 acres in Tokarahi. I pay 5s. 9d. an acre. I have been farming on the land for four years. It is held under lease in perpetuity, and I am quite satisfied with it. I am satisfied generally with my holding. I may state that prior to taking up this land I held a section at Otekaiké on deferred payment. I was there about twenty years. Unfortunately I made it freehold. The result of that is that I am now out of it. I prefer the lease in perpetuity. I think it is the best tenure under which to hold land. I am satisfied with the tenure, but I think it would be better if the payments were to be made on the 20th March and the 20th September, because that would work in better with the harvesting. I maintain that we have no right to alter the leasehold. I have no desire to alter the lease, and I do not think, speaking generally, that it would be good for the country. I may here say that the men who had the pick of Otekaiké are those who have acquired additional land there. It is those who hold the best land who will be able to buy out other settlers, and thus the worst land will be left to the State. Under the present lease we have a fixity of tenure to encourage us to make improvements for ourselves and our children. I think that the State should own all the land.

56. *Mr. McCardle.*] You say it would not be fair for the State to grant the freeholds. Would it not be fair under those circumstances for the State to have revaluation at stated periods?—Revaluation is a cry of the labour party. My land, I have no doubt, will increase in value, but I think it is perfectly right, owing to the increase in the value of the land, that I should pay taxation the same as others when the land reaches a certain value. I pay a tax independent of my rent. It is our settlers who increase the value of the land. For instance, we have erected a creamery here, and that has increased the value of the land by at least £1 an acre. It is different from a section in the town.

57. Are you prepared to support an Act limiting the area of freehold that may be held by any one person?—Yes.

58. *Mr. Matheson.*] Do I understand you to say that any increment in the value of the land is well earned by the settler—you do not think it should be called “unearned increment”?—Part of it.

59. Then, you do not think you have earned all the increment?—No; part of it belongs to the State and part to the settlers.

60. Suppose these prosperous times go on and you accumulate savings, do you think it unreasonable that you should be allowed with that money to pay off some of the capital value?—No, not a sixpence. I would invest it in putting my boys on the land.

61. *Mr. McLennan.*] You were one of the first settlers at Otekaïke?—Yes.

62. Did the settlers get a rebate on the purchase of their sections?—Yes.

63. Could you tell us anything about it?—Yes. Those who acted up to the conditions and paid the money had to pay the full amount, whilst other people who did not pay it up capitalised it, and they got an extension of fourteen years from the ten years. During the time between the ten and fourteen years I was one of the unfortunate ones who paid it up. Every time I had £50 I paid it up, and that left me bare, whilst those who had not paid it up got a rebate. I might mention that the very man who holds the 1,700 acres of the pick of the land got a large rebate. He got the pick of the land and was able to buy up the poor ones who did not get the rebate.

64. Would you be in favour of giving more discretionary power to the Land Board?—Yes.

65. You think it would be an advantage to the Land Boards and the tenants that the Boards should have more discretionary power?—Yes.

66. *Mr. Paul.*] You think that if a settler once gets into the money-lenders' hands he very seldom gets out of them?—Very seldom, unless he has good luck.

67. You expressed yourself in favour of the State owning all the land?—Yes.

68. And you are also in favour of limiting the area of freehold: do you think that is possible?—There is nothing impossible to the present Government. As they are able to take all a man's land away I do not see why they could not take part of it.

69. Would not that be rather an expensive way of trying to limit the area?—There would be some difficulty in it. It is the same thing if it is a freehold. Some people will be able to get a big section, and if they do not get a bigger section than others they will get the best sections.

70. Do you think it would be really freehold if it were limited?—There is no such thing as real freehold in New Zealand.

71. Do you not think it would be better to limit it by value through the land-tax?—Yes; you could not limit it by acreage. It must be limited by value.

72. Still, you think the leasehold system is far preferable to limiting the freehold?—Yes.

73. *Mr. Johnston.*] How many settlers took up land at Otekaïke?—Thirty.

74. How many original settlers are there?—Sixteen.

75. Holding 9,000 acres?—Yes.

76. Are they the ones that got the rebate?—Some of them.

77. What was the rebate?—The land was sold by auction at first at the upset price of £3 an acre, and it ran up as high as £11 and £12 an acre. The consequence was that any one who had paid over £5 was brought down to £5. There were only three prices put on, and any one who bought at over £3 an acre was taken down to £1 10s.

78. What date did that take place?—I could not say from memory, but it was under the Atkinson Government, and Mr. G. F. Richardson was Minister of Lands.

79. Did you buy into this settlement?—No; my son took up the section first, and it was transferred to me.

80. Have any of the original settlers sold out of the settlement?—Yes.

81. Have they sold out to advantage?—Yes.

82. Have they got goodwill over and above their improvements?—Yes.

83. Do you know how many?—No, but there were a good many.

84. Have you any idea what goodwill they got?—From £1 up to £3 an acre.

85. Does that include their improvements?—I think I can safely say they got from £1 to £2 independent of their improvements. I think £2 is within the mark.

86. This settlement is evidently a great success?—Yes, but I may say it was a very hard struggle at first. There were some very bad years. Owing to our own industry we have erected creameries, and it has since been a success.

87. It is the dairying that has made it a success?—Yes.

88. Is there any Californian thistle?—A little.

89. Any ragwort?—I do not know it.

90. *Mr. Forbes.*] You think that if the tenant was allowed to pay off a portion of the value of his farm the same danger would occur as under the deferred-payment system. That is, he would pay off in good seasons, and in bad seasons he would have to go to the money-lender?—Yes, that would be the danger.

91. In respect to cropping restrictions, do you think when a man has been on a farm for a certain time and made certain improvements that the cropping restrictions should be done away