

352. *Mr. Paul.*] Who told you this was to be converted into a freehold?—No one.

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

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

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

356. What is the term of the lease you have given to this other tenant?—Ten years.

357. Was there a purchasing clause?—Subject to the consent of the Land Board.

358. What is the rent?—The rent is 5 per cent. on the purchasing clause.

359. What is the amount at the end of ten years?—£40 an acre.

360. *Mr. McCutchan.*] What was the estimated value of the improvements you put on this land yourself, irrespective of the £1,100 you spent in cash?—I could not give you the amount as I have not kept a record.

361. You cannot make an approximate estimate?—Say, another £100.

362. What taxes do you pay annually?—I do not remember.

363. *Mr. Anstey.*] You say you took up this land with the deliberate intention for agitating for a breach of the contract?—No. I never thought of that when I took it up.

364. You said you had a conversation with a gentleman about that aspect of the matter?—After I took it up. I was exempt from the residential clause for a year until I went on the place, as I had a year to run on the lease I had in Taranaki.

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

366. Seeing that you had a deliberate intention of trying to get that lease broken, do you think there is any harm in another party suggesting a breach of the law in the direction of revaluation?—The other side was the first to commence it.

367. If it is right for one party to break the law surely it is right for the other?—I do not know which party you are getting at.

368. You say it has cost you £12 an acre, and you are paying a rent of 16s. an acre?—Directly, it has cost me that; but what has it cost me indirectly. I have put that value on to the land no matter how it is worked out. The farmers who do the work put the value on to their places, and I do not see why I should not have the benefit of it.

369. Supposing, instead of the land being worth £40 an acre, it was worth less than £20, would you be very keen about agitating for the right of purchase?—I think so. It would make no difference to me.

370. *Mr. McCutchan.*] What is the value of your buildings on this allotment?—Between £515 and £600.

371. What would be fair interest for depreciation?—10 per cent.

372. In view of that fact, do you think you are getting more than an ordinary rate of interest upon your property?—Not very much more than the market rate of interest.

373. *The Chairman.*] Is there anything you wish to add?—Yes, as to the balloting. I think the ballot system far preferable to putting the land into the open market, for the reason that under it no man will give fictitious value. Under the auction system there are many speculators and well-to-do men competing against small men. I consider young men born in the colony should have the preference over men coming here only a few days before the sale. As to roading in bush country, I think that if the Government would put roads or railways into the back blocks or unsettled districts it would pay them far better than leaving the land idle, or allowing it to crawl into a state of existence. Young men with grit and spirit ought to get on in New Zealand. If they cannot they should get out of it.

ALFRED RICHARD MAYO examined.

374. *The Chairman.*] You are a nurseryman?—Yes. My wife holds a lease in Aorangi, consisting of about 24 acres under the lease in perpetuity. I would like the right of purchase. I have held the lease five years, and have been living on the section a little over three years. If I had the right of purchase I could purchase it, and if anything happened to me my family would be able to get a living on the section. Now, she could not take it up if I died unless she had the permission of the Land Board. Of course, I am sure she would get that permission under the present circumstances, but if we have a Labour Government in they might want to revalue our leases, and I should have to lose on my improvements, which are very considerable. I would like to feel more secure in regard to the lease. If I were secure in the matter I could get more for my money and hold it under the right-of-purchase tenure.

375. *Mr. Johnston.*] You think it is the labour agitation that is causing the trouble?—They seem to have pretty good times in the cities, and having not much to do after 5 o'clock they discuss these matters, and tell us what is good for us and how to run our business.

376. You do not think the majority of the city labouring class really would force the Government to repudiate the bargain they have already made?—One or two labour agitators can lead the Government whichever way they like. They had a monster meeting a few months ago when they were in favour of bringing in a Fair Rent Bill.

377. You do not think the colony would do what amounts to repudiation?—The colony would do what the Government want. Look at the trouble in Australia at present.

378. Have you any fear of such a thing here?—It is possible.

379. *Mr. Paul.*] Who was the political agitator who led this monster meeting to declare in favour of a Fair Rent Bill?—It was in Wellington a few months ago. Perhaps I am referring to a conference.

380. They carried a resolution to revalue existing leases on the death of a lessee or transfer of a lease?—There was a Fair Rent Bill introduced into Parliament not many years ago, and was lost by one or two votes.

381. Do you think the leasehold is against the best interests of the country?—I do not know about the country. I am talking about my own interest. I would have liked the right of purchase.

382. You must have felt fairly secure in your tenure, Mr. Mayo, when you improved your place so highly as we saw it to-day. Is there anything more you could have done to it if you had the freehold?—If I had had more money I could have done more.

383. Independently of the tenure?—Yes: we took the land up expecting to have the right of purchase in time.

384. What gave you that idea?—That is the idea I have always held. Before the Government took up this land I tried to get a piece from Mr. Bull in the shape of freehold.

385. *Mr. Anstey.*] Have your dealings with the Land Board been satisfactory?—Yes.

ALBERT WILLIAM GOULD examined.

386. *The Chairman.*] What are you?—I am a flaxmiller. I am a barrister and solicitor of the Supreme Court of New Zealand, and have been practising for twenty years, but during the last twelve months I have taken up flaxmilling and have ceased to practise. I have no land now. I formerly acted in Pahiataua for the Advances to Settlers Department and the Government Life Insurance Department. During the fourteen years I was there I took an active part in forming and acting as secretary and treasurer to four special-settlements associations, and I have had a good deal to do on behalf of clients and others in connection with Land Boards.

387. What is your opinion with respect to the present constitution of Land Boards?—I know there has been some talk in the direction of making Land Boards elective, but I must say I do not believe in elective Land Boards. I believe in the present constitution of the Land Boards. With respect to land-tenure, I am an out and out land-nationaliser, and I have come to that conclusion after twenty-five years' close study of the question in all countries, and after reading all the authorities on the subject for and against it. Therefore, I say that this Commission should not only hear settlers who are taking up land, but this is a question which really ought to be referred to a referendum of the people. Every man, woman, and child in the colony owns the land, and therefore it is not only a question purely for the settler himself. I have studied this question from the Old Country point of view. I have been thirty years in the colony, and have made a close study of the colony, and I agree with the Premier when he said that it would be a sorry day for New Zealand if the freehold of lease-in-perpetuity land is granted. I am very pleased to see he has taken up that attitude. I am also pleased that he set up this Commission, but I would be more pleased if the whole matter would be referred to a referendum of the people of the colony, and I am quite sure what the verdict would be. We have only a few million acres of the public estate left, and if we grant the freehold to such land it will be the worst step that the colony could take. The absolute ownership of land is only the creation of the last few hundred years. The leasehold was introduced into Great Britain by William the Conqueror, and it is the feudal system under which we hold our land now. For instance, a man is never supposed to own a piece of land like he owns a horse or a cow. He owns an estate in fee-simple. That is the theory of our law. The theory of the feudal system was leasehold. We have departed from that system. By reason of the rise in our manufacturers and different inventions our commerce has extended to the great exchanges of the world, and we have lost sight of the feudal system, but I am pleased to see the Premier has stated that it would be a sorry day for the people of the colony to give up their rights in the land. In the case of township sections, the unearned increment is far greater than in the case of country lands; but, on the other hand, there are many things that could have been made more pleasant for the farmer. I think that improvements will be done just as much without the stipulations as to improvements. There is, to my mind, a great objection to Land Boards preventing transfers. I think it would be justifiable for the State to say this with regard to the land of the colony: "You are dealing with something now that is not the special creation of wealth by man." Man has an equivalent to a creative power. By the co-operation of capital and labour man can increase or diminish almost anything on this planet, but he cannot produce one extra inch of land. Although I started on the opposite side of thought on this question, after much study I have seen the mistake under which I formerly laboured—namely, that there can be the same ownership in land as in other things. My contention is especially apparent in the case of young colonies. Land, labour, and capital produce all wealth. What do we see in the distribution of wealth? I ask the question: Is it not impossible for any colony to go ahead when it sows the seeds of destruction? We have a population of eight hundred thousand people. When there are eight million people what labour laws fixing the minimum wage will have any effect. The landowner will get the cream of the thing all through if this is allowed to go on, and we will gradually get into the position of older countries. When I look round and see what the Scotch and Irish have done for Great Britain in the battlefields I wonder how it is they have been driven from their countries as they have been to seek an opening here. Why? Because the whole of the land, the rent of which is worth £320,000,000 per annum, is in the hands of the landlords of Great Britain, and the principal profit goes into their pockets. We have to think of the future of the colony as well as of the present. Many men have not an inclination to consider this question. I have read the works of all the greatest thinkers on this question. Surely it is worth while people of this colony reading the works of the great thinkers on this question and considering the matter carefully. My hope is that in New Zealand there will be some economic training given to the youngsters in the highest standards, and until that comes about I am afraid there will be no permanent advance in our legislation on the land question

even under the universal franchise. I am very glad to give expression to my opinions here. I know that they are not popular opinions, but I think if, after studying the question carefully, one has come to certain definite conclusions on such an important question, it is his duty to give expression to his opinions, and to state what he considers best in the interests of the colony. We have gone a certain distance in one direction in connection with land-settlement, and we should not recede from the advance we have made. I support the Crown leaseholder in this. Very often it happens that his rates are nearly as much as his rent, and in some cases I believe they are even more. Everybody in this colony, whether he owns or leases land or not, ought to pay rates to assist in making the roads of the colony. It is the people of the colony who own the public roads. If what I suggest were done the leaseholder would not be continually asking for the freehold. The main reason they ask for the freehold is that a little less money can be obtained on a leasehold than on a freehold. But there is no reason why that should continue. There is no doubt that the State has a good security in the investment of its funds in the lease in perpetuity. I do not believe in the lease in perpetuity. It does not carry out what it was intended to. The lease in perpetuity is certainly an obnoxious lease, and I think that legislation ought to be forthcoming as soon as possible to—I will not say abolish it, I do not know what to say about it. The State has made a contract for 999 years. It is a question whether it can get out of that obligation to continue the lease, but I say that legislation ought to be forthcoming that will provide for revaluation, say, after twenty, thirty, or forty years. The particular term is immaterial. There ought to be a cessation of any further sale of town sections. I know the argument is, "Do away with the Crown Lands Department. Let everybody have the freehold. The State has always the right to impose a land-tax." No doubt the State has that right, but if one looks at Great Britain one sees that a land-tax was imposed very many hundred years ago, and one sees how little has come from it, and it is always possible to evade it. As I have said, I cannot see why the Land Board should object to any transfers. I think the State, on behalf of the people, has a right to look into this land question, and say, "We will give you the full value of your improvements, plus, say, 8 or 10 per cent., but we will not allow the bleeding of the purchaser to go on." With regard to non-residence, if double improvements were affected I believe that surely would be effectual.

388. *Mr. Paul.*] You referred to the Advances to Settlers Department: can you say how the legal charges for preparing a mortgage under the Advances to Settlers Office compare with the charges made in the case of a mortgage on a loan from a private lender?—Of course, they are ridiculously low.

389. Is the lease in perpetuity any better for the State than the freehold?—Most decidedly it is. If the State sells the land it is the last transaction the State has to do with it. The difference between the lease in perpetuity and the freehold is this, that at the end of the term in the case of lease in perpetuity the land still belongs to the people, and, besides, would be producing territorial revenue the whole time.

390. Do you believe in the lease in perpetuity or in a lease with periodical revaluation?—I believe a lease with periodical revaluation is best.

391. With respect to township sites sold by the Government. During our inquiry we have seen cases where the Government have sold township sites, and where the buyers have not done a hand's turn, and the land has increased ten times in value within two years. Do you think that is a sensible national policy?—No, I think it is ridiculous. It is questionable whether the Government have the power to sell the people's land in this way. I would ask, as I have said, that this question should be submitted to a referendum of the people, and I have no fear as to the result.

392. Do you believe in the system of leasehold for the towns and freehold for the country?—I believe in all leaseholds.

393. Do you think the people should make the roads unless they own the land—whether the land is held on leasehold or freehold?—I think leaseholders from the State should be exempt from local taxes, road or no road.

394. What I want to know from you is, whether you believe that every one in the country should contribute to the roads, when the land which is improved in value by those roads is owned by private individuals?—There would have to be some differentiation there, no doubt. I am only looking at it from the point of view of the remaining Crown lands.

DANNEVIRKE, WEDNESDAY, 7TH JUNE, 1905.

MATTHEW TANSEY examined.

1. *The Chairman.*] What are you?—I am a settler, and hold 1,400 acres—800 acres freehold and 600 acres of occupation with right of purchase. I have been here twenty-one years. For the occupation with right of purchase my rent is £1 5s. on one section at Aparura, and £1 15s. on another. I am satisfied with the occupation-with-right-of-purchase tenure. One of my places is twenty miles from here, and the other about four miles. I engage in sheep-farming.

2. What tenure do you favour in the interests of the settlement of the country and for the benefit of the settler?—I resided at Coonoor for about ten years. It is the centre of a settlement between Makuri and Pongaroa. I am well acquainted with that district. I lived there on a section of 450 acres under perpetual lease under the Act of 1885, and about the same time a large portion of the land was settled under the new Act of 1892—the lease in perpetuity—and I am quite satisfied that the lease in perpetuity is a complete failure there. I had an opportunity of seeing the two systems together. A good few sections came out in 1891-92 under the perpetual-lease system, and when the Act of 1892 came into operation a large portion of the land was settled under

the lease-in-perpetuity system. A great many people were dissatisfied with it at the start. They took it up thinking it would be all right, but they found later on that they could not raise money to get on with their improvements—that is, under the lease in perpetuity.

3. Was that a reason for the failure?—That was principally the reason; in fact, it may be said it has been the sole reason. Unless a man is a capitalist he cannot take up land under the lease-in-perpetuity system. I am not speaking of land under the Land for Settlements Act.

4. What became of those people who failed?—I may mention that a man started with 100 acres and with £400 capital, but after spending that he could not make a living off the land. It took so long to get stores in, and the expense was so great, that after his capital was gone he could not make a living off the land. He had put down 140 acres in grass, and after residing for four years on the place he sold out for about £450. He was an industrious, hard-working man, and if he had been able to raise money on the place he could have carried it through successfully. He could easily have done so if he had had the right of purchase. I have lived amongst these settlers, and I know that they are all dissatisfied. There may be two or three in the whole district who are not, and I think that very few will maintain that the leasehold is best for the country, and in those cases they are men who would learn nothing from experience, and they are men with no desire to work the land. They are not men who would make a success of settlement anywhere. I think a man should have the right to make his land freehold after improving his place and holding for five or six years. If he resides on the land and has fulfilled the conditions I am quite sure that there is not the slightest danger of his property forming a portion of a large estate. The land is so situated and of such quality that a man cannot make a living off a section under 500 or 600 acres in area. In the case of men holding smaller areas they can only fell a small area of bush at a time, and they have to obtain grass-seed from storekeepers and take anything they can get, and thus they grass the land badly.

5. Is your experience of the Land Board favourable?—I have never had any difficulty in getting on with them, but I know of instances where the Board has inflicted unnecessary hardships on settlers. I will give you an instance, and I suppose it is not a solitary case. A hard-working man took up 120 acres, and built a good house on it. He got the land cleared, and held it for twelve years, and then took up 700 acres of second-class land. The Hawke's Bay Land Board insisted on him living on the land. I do not see what you are to gain in the way of settlement if you are to compel residence in a case like that where a man has a good house on his section five miles away, and has a school in the neighbourhood. If he had gone to the other section he would have been put to inconvenience, because there was no school near there.

6. You think that the residential conditions ought to be somewhat modified?—In a case like that I think they should be, because that seems to me to be against the spirit of the Act. I think that a Land Board that does such a thing as that is liable to do other things that are not sensible. I, on the other hand, know of cases of men who own Crown land, and have done so for six or seven years, and they have not been compelled to reside on it. The settlers have no confidence in members of Land Boards who have not got practical experience.

6A. Do you think there should be any alteration in the present constitution of Land Boards?—I think if half of them were elected it would be an improvement. The men elected to the County Councils are usually sensible men, and they generally have a grasp of what is wanted in regard to settlement. I think that half the members of the Land Board might be elected by the ratepayers in the district and the other half be nominated. The settlers would then have somebody to represent them. There are men on the Land Board whom the settlers do not consider at all fit for the position.

7. *Mr. Anstey.*] Are there any public reserves in the neighbourhood?—Yes, there is one reserve unoccupied. It would be fairly good if it were sold up to 7s. 6d. or 10s. an acre. It is now simply a harbour for noxious weeds and rabbits.

8. Do you think that land should be profitably occupied?—Yes.

9. Are there any other reserves?—Yes.

10. What are the terms under which they are held. I think they are twenty-one years' leases with revaluation or right of renewal at the end of the term. I do not consider that tenure satisfactory.

11. Do the tenants improve the land?—They do not care to spend much money on the land, and, in regard to grassing, in some cases they plant any amount of rubbish.

12. Do you think the tenants on these and other reserves should have the right of purchase?—Yes, I think it would be in the best interests of the country. I know that at present the most is not made out of the land.

13. Do you think that, generally speaking, the leaseholder does not develop his farm as well as a freeholder?—I am quite satisfied he does not look on his interest as being sufficient in the case of the leasehold.

14. Would you extend the right you suggest to the case of land leased from private owners?—If I leased land privately I know very well the land would be liable to be neglected, and I know the tenants would want watching.

15. Yet you complain that the Land Board is watching you too closely?—There would not be the same necessity to watch a man if he had the right of purchase.

16. Do you think it would be wise that leaseholders of land from private individuals should have the right of purchase?—They might adjust that amongst themselves.

17. You do not think it should be made compulsory?—I do not think it should be.

18. Notwithstanding the fact that leaseholders are not able to develop or improve their land as well as freeholders, you do not think they ought to have the right of purchase?—Leaseholders do not improve their land as well as freeholders. I do not complain of the Government looking after leaseholders; they need it all.

19. Have you had any experience of the Advances to Settlers Office?—Yes, and it has been

satisfactory. I consider it has been a wonderful help to the settlers; in fact, it has been the best thing that has ever happened in this country—the introduction of that system.

20. From your remarks I gather that you consider the administration of the Land Board not by any means good—that there are theorists on the Board?—I do not object to Land Boards as at present constituted, if good practical men were appointed.

21. You told us that there were several existing members of the Land Board who were not suitable men?—Yes; political agitators or partisans, and such men who often are not practical men, and they get there by pushing themselves forward.

22. Can you give us any instances in which they have unfairly carried out their duties?—I have given you one instance, and I consider that in that case the man on the land was unfairly treated, and I maintain that the men who would act thus would be likely to do other foolish things.

23. You know what the law is, and you know the members of the Land Board have to administer the law: can you give us any instance where they have unfairly administered the law?—I have had a good deal of experience with Land Boards, and I do not say for one moment that they try to unfairly administer the law, but they do not seem to me to always grasp the law, or the spirit of the Act, and carry the law out in a sensible way.

24. But you cannot give any specific instance?—It is pretty difficult to bring up specific instances all at once.

25. It is rather a serious charge, and ought to be supported by an instance?—I have given you one instance. Perhaps I could mention others. The members of the Land Board perhaps do their best. The Land Board has always acted fairly towards me; but I have known of plenty of instances where men complained of being harassed by the Board in their effort to keep to the letter of the law.

26. You think they ought to administer the law more liberally?—Yes, more liberally, and with judgment.

27. You think Land Boards should be given more discretionary power?—Yes; and in the case of settling Crown lands they should take more evidence before allowing an application, and they should give preference to genuine settlers.

28. Do you not think it would be rather a dangerous thing to give more power to political agitators?—I said that if reasonable sensible men were appointed the Board should have more discretionary power.

29. Is there, generally speaking, good road access to the settlement?—Some places are more fortunate than other places in that respect. Back in the Pongaroa district—which is an important district—the roads are bad.

30. Can you suggest anything that will improve it?—I think that a large amount of money has been expended on roads in the back blocks—expended under co-operative labour—that could have been spent to better advantage if tenders had been called for and the work let in small contracts. In such cases the settlers would get the money just the same—in fact, more of it.

31. Who does this roading chiefly?—The Government have been doing the roadwork back there.

32. Does not the local body do any of it?—I was there for ten years, and the local body did not spend a shilling on the roads.

33. Did it collect your rates?—Yes.

34. Did the local body get the “thirds” and spend them on the roads?—They have spent the rates, but not the “thirds.”

35. Who do you think ought to have the expenditure of this money—the County Council or the Government?—I think it was successfully done under the Land Boards at one time when there was a resident engineer in the district looking after the work. The work was then let on the tender system.

36. Are the County Councils expending their revenues beneficially in most cases?—I believe so.

37. Have the local bodies enough money to attend properly to the roads in the district?—No. The County Councils should not be asked to do construction work in new settlements.

38. Do you think it is necessary for the Government to continue the present system of grants, or would it be wise to give larger subsidies to the local bodies?—I think if larger subsidies were given to County Councils it would be a very good system.

39. *Mr. McCutchan.*] You spoke about the Land Board exercising some supervision over applicants for land: do you mean before they are admitted to the ballot?—Yes.

40. Would you give preference to one class of settlers over any other class at the ballot?—I think that men who have been brought up to the work and are familiar with the bush should get a preference over men in business in the towns. I think in the case of people from the towns there are a great many chances that they will not go on the land.

41. Do you think that men who are unsuccessful at one ballot should get a preference at a succeeding ballot?—Yes.

42. Would you give married men a preference over single men?—Yes.

43. You mentioned a case in which you thought the residence conditions were enforced with undue harshness: do you think in that case the man could satisfactorily work his second holding of 800 acres without residing on it?—He was doing so successfully, I consider. He was a hard-working man.

44. Do you think if extra improvements were put on the land that they should be taken in lieu of residence?—I am very much in favour of residence on Crown land being enforced. The object should be to get the people on the land. I do not believe in being loose in respect to residence conditions.

45. There is a four years' exemption from residence now. Is not that ample for the *bonâ fide* settler?—Yes.

46. Was the land originally loaded for roads?—Yes.

47. Was it through the dilatoriness on the part of the Government in expending the loading that the Government retained control of the road for ten years?—I am not quite sure.

48. Were the "thirds" accumulating during those ten years?—Yes; but in one case the money was spent outside the settlement altogether.

49. By whom?—By the county. After nine or ten years had elapsed we applied to the County Council, and found they had dribbled the money away somewhere. They said the money was spent outside the settlement on other roads.

50. But it would be in order to give access to the settlement?—Yes, I suppose so; but the money was not expended in the way the settlers thought it ought to have been.

51. Did the settlers send in a petition to the Land Board in reference to the matter?—Not until it was too late.

52. Do you think the local body should have the right to levy rates over a district the roads of which are not vested in the local body?—I do not think they should. We had no access except what we made ourselves. I do not think that the people in new settlements should pay rates until the roads are under the jurisdiction of the county.

53. A general rate may be expended anywhere within the county; so that the County Council acted quite legally in the case you have referred to?—Yes.

54. Would you advocate that every local body should be compelled to keep road accounts, so that the settlers might know the exact position?—Yes.

55. Do you think that subsidies should bear a proportion to the rates levied by the settlers upon themselves?—Yes.

56. *Mr. Paul.*] Regarding the *personnel* of the Hawke's Bay Land Board, how many farmers are on that Board?—It is very hard to define who are farmers.

57. How many political agitators are on the Hawke's Bay Land Board?—I do not think it is fair to expect me to answer such a question.

58. Is there any one holding a seat on the Land Board who is not well qualified to fill it?—I would rather not answer that question. My remarks apply perfectly well, and most of the farmers in this district will understand what I have said. I do not wish to be misunderstood. I might say that Mr. Hall is one of the best and most sensible members that ever sat on the Board.

59. Why single out Mr. Hall from the rest?—I did not wish to single him out.

60. You are quite prepared to say that there is one man sitting on the Board who should not be there?—I will not say that that is not so.

61. Do you believe in any system of lease without the option of purchase?—I look on the perpetual lease as being a better system of land-settlement than either of the leases under the Act of 1892.

62. You hold that the perpetual lease is better than the lease in perpetuity?—It was a better system, as far as my experience goes in this district.

63. Do you favour the perpetual lease because it contained a purchasing clause?—Yes; it encouraged a man to improve his land.

64. Do you believe in any system of leasing without the option of purchase?—I do not.

65. Would you advocate partially elected Land Boards?—I think the Crown should be represented, and I think half the members of the Board should be elected by the ratepayers in the district. I would not have them elected under a universal franchise.

66. Would it not be fair to let the landowners elect one member and non-landowners elect the other?—I do not think non-landowners would take much interest in electing members of a Land Board.

67. Do you think they should have the right?—Yes, they should have the right; but I do not think they would take the interest.

68. Would you give them an opportunity of taking an interest in the matter?—I do not think it would be practicable.

69. Do you think a good farmer on freehold would be a bad farmer on leasehold?—There is no doubt the conditions would affect most men.

70. Have you ever visited land in the South Island acquired and settled under the Land for Settlements Act?—No. I look on those settlements as being quite different to settlements on ordinary Crown land.

71. Are the leaseholders in your district inferior as farmers to the freeholders?—I think I can safely say they do not take the same interest in improving their land as the freeholders do. I know that the men who had the right of purchase under the Act of 1885 were more successful settlers than the others.

72. What percentage of bush settlers are compelled to borrow money on mortgage?—I cannot say that in my experience of them that I remember one who did not have to borrow.

73. So that practically every man who goes into the bush must borrow money?—There is not very many men who go into the bush with capital, and it would require more capital to take up a lease-in-perpetuity section in the bush than a lease with the right of purchase.

74. Do they come out all right in the end?—Yes; a man, if he is industrious, invariably comes out right.

75. You bought your property at Coonoor from Mr. Pharazyn?—Yes.

76. How much land does he hold there?—7,000 to 8,000 acres.

77. How many settlers has he bought out?—Two; but he is not likely to buy another.

78. Are there any large estates in Hawke's Bay?—Yes.

79. Are they suitable for close settlement?—Yes, some of them.

80. Do you think it would be a wise policy to subdivide them?—Yes; there are some not far from Dannevirke that might be subdivided.

81. What areas should they be cut up into in order that the settlers may make a fair living off them?—On suitable dairying land a man could make a good living on a couple of hundred acres, but in the case of sheep land he would require 600 acres and upwards.

82. *Mr. Johnston.*] Are you representing any other settlers besides yourself?—No.

83. Is it a general thing here for a man to go into the bush with limited capital?—Yes, and in some cases men go there without any capital.

84. How is a man to finance for the first six years if he has got an occupation-with-right-of-purchase tenure any more than he can with a lease-in-perpetuity tenure?—He can get money advanced easier with the right of purchase than under lease in perpetuity.

85. How?—Money-lenders will advance much easier in the case of occupation with right of purchase.

86. Why?—I do not know, but that is the fact.

87. Have you ever got it yourself?—Yes; but I never had any difficulty in getting what I required.

88. In respect to getting money on the lease in perpetuity, you are simply speaking from hearsay?—I never owned any land under that tenure.

89. You referred to a case where residence was not made compulsory: is that person a business-man in Dannevirke?—Yes.

90. You advocated doing away with the residential clause to a certain extent, although you object to this man living in the town?—I only mentioned that case as an instance of unfair administration.

91. Who are the members of the Hawke's Bay Land Board?—Mr. Hall, Mr. Hyde, and Mr. Groom are members. I do not remember the other one.

92. What are the noxious weeds on the reserve you referred to?—Californian thistle and other weeds.

93. Is Californian thistle prevalent in this district?—It is getting worse.

94. Have you got any on your land?—Yes.

95. Have you taken any means to eradicate it?—Yes.

96. Have you ever been in the Government employ?—Yes.

97. Where is your freehold land?—Matama.

98. What is the value of the land per acre?—About £6 or £7.

99. Did you sell out well to Mr. Pharazyn?—I got £7 per acre after living on it for eleven years.

100. What was the capital value in the first instance?—£1 13s. 6d.

101. Was it second-class land?—It was reduced second-class land. It was dry mountain tops, and cost me all I got from it to improve it. It was reduced to 15s. per acre.

102. What would the land carry?—A couple of sheep to the acre.

103. Where are the estates about here that want cutting up?—Otaunga—about 6,000 acres—is convenient to Dannevirke. It belongs to the Rathbones.

104. You said there were several?—A lot of the land around here is in big estates under Native leases.

AUGUST FREDERICK FERDINAND DITTMER examined.

105. *The Chairman.*] What are you?—I am a farmer, holding 141 acres of education reserve under twenty-one years' lease. I have held it for nineteen years, and took it up from the original holder. It is at Umataoroa, and I pay 8s. per acre, with a limitation of improvements of £3 per acre.

Witness then proceeded to lay before the Commission a grievance which he had with the School Commissioners regarding necessary improvements for the proper working of his land for dairying purposes. A bridge was necessary, and he had applied for assistance from the Commissioners, but they were unable to comply with his request, and he had also approached the Commissioner of Customs, the Hon. Mr. Mills, who had laid the matter before the Minister of Lands, but who was unable to do anything in the matter.

The Chairman expressed sympathy with the witness, but informed him that the subject was outside the scope of the Commission's inquiry.

JAMES LIVINGSTONE examined.

106. *The Chairman.*] What are you?—I am a settler, holding 400 acres under right of purchase, which I have held for about four years. I pay £1 7s. 6d. per acre on the capital value. It is in the Ngapaeruru, about thirteen miles from Dannevirke. It was all bush originally, but is now cleared, except about 20 acres.

107. Has it taken the grass fairly well?—Yes. I have only sown the very best of grasses.

108. Have you a road into it?—Yes. We raised a special loan to metal the road, which was formed by the Government.

109. Is there anything particular which you wish to bring before us?—I represent a lot of the settlers on the No. 1 Block, Ngapaeruru. A public meeting was held, at which there were about twenty present, and on their behalf I wish to make the following statement which was submitted at that meeting and approved: Being a settler in the Ngapaeruru Block, land-tenure occupation with right of purchase, I strongly support the freehold tenure, for the following reasons: If a man takes up land with the right of purchase he looks forward to the time when he can call it his own, and he knows that all improvements he puts on the land are to be his own, and therefore he is more likely to do his work well and make a good settler; whereas, on the other hand, with regard to leasehold, the more valuable such a property becomes the more discontented the owner gets, because he sees his neighbour has a valuable asset, on which he can borrow to improve, while in his case he is only allowed about half the cost of his actual improvements, the rest being set up as unimproved value, and therefore belonging to the State. If the Government were prepared to let out all land with the right of purchase, giving the tenant the right to make it his own at any time, the funds accruing from such would go far towards the purchasing of more land for settlement, and at the same time do away with a lot of the borrowing

that the State has to resort to at the present time. There is a great difference of opinion as to the value of improvements. Now, I hold that subdivisional fencing adds greatly to the carrying-capacity of the land, thus increasing the value of the land, and should by any broad-minded man be put at a value far in excess of the actual cost of erection. Further, would any man set out to improve his place if he thought his improvements would not pay him more than 5 per cent. on its capital value? I say, most assuredly, "No." I think all improvements should be value on the merits of the value they are to the place; not as we have at the present time. A man comes round to value the land. With him it is like a problem in Euclid, and he says that all fences are the same fences, and all bushfelling and grassing are the same bushfelling and grassing; whereas in reality they are as widely different as day to night. For instance, one man in fencing uses the best English wire and the best of totara posts. In felling bush he fells everything green, and sows the best English grasses and clovers he can buy. Another man, in fencing, uses the cheapest material he can buy, and for posts uses anything that comes to his hand. His bush is felled in such a way that the fire will go through—that is all—and he sows the cheapest seed on the market. Now, did any one ever hear of valuing these alike? It is like valuing the settler's new house at the same value as his old slab whare; and yet such is the valuation we receive in the back blocks. I can say, with regard to my place, that I never saw the valuer till I met him in the Courthouse in Dannevirke, and, to my knowledge, he never was on the place. Yet when my returns came in the unimproved value had gone up from £600 to £1,200. The improvements, as valued by him, were valued at the lowest possible rate; in fact, truly absurd. For instance, fencing that had cost me from 18s. to £1 a chain was valued at 10s. a chain, with a depreciation of 10 per cent. yearly. I hold that the fence could not be erected at less than 12s., let alone the cost of material. This is but one instance. Another thing that adds to the value of the land is the settlers rating their land for special loans for road-metalling and construction, and such value should be added to the improved value as work done by the settler—not as it is at the present time, added to the unimproved value. There are those that hold that, seeing we pay for our loans out of "thirds," we should not complain; but it is a purely optional matter with the settler whether he pays it out of "thirds" or his own pocket; and if the latter, he could apply to have the "thirds" spent before his own door or property. Besides, the "thirds" lapse in a few years, and the loans have still to be paid for. I challenged the valuer's valuation on the above grounds in the Court, and, while admitting the justice of my argument, he said, the values would be adjusted by the higher officials, as he was only there to value as he found things; and I can only say it has not been done yet. If the above is to constitute the class of revaluation that the leaseholder is likely to receive at the hands of the Government, is it any wonder that there is a cry going through the country for the freehold tenure? Do you think one single settler would take up land on the leasehold tenure if he thought for one moment he was in a few years to be valued out of his place, when it takes at least three years on a bush section before a man can look for any return, and is he to work on half-pay for that time, for such is what the present revaluation means? He naturally looks to what is termed the unearned increment to carry him through, for that is his wages. Without a face value, I hold that in the back blocks there is no such thing as an unearned increment. The settler earns every penny that his place will realise if placed on the market. In many instances he contracts diseases, which stick to him for all time, through the privations he has to endure in the first years of a new settlement, and I hold that it would be nothing short of downright robbery to deprive him of the unearned increment by a revaluation system. Another matter I would like to bring before the Commission is compulsory insurance and its effects on settlers. In the first place, most settlers were formerly just working-men, and yet by compulsory insurance there is a distinct line drawn between them. The one is deprived of any cover in case of accident, while being at the same time responsible for the life or limb of the other. Not only this, but if a settler wishes to fell a piece of bush by contract, and he has summed up the matter carefully, and in conclusion finds that he can raise the money at 5½ per cent., he has further to insure the capital value of the work at 5 per cent., making him liable in the first year of his loan for 10½ per cent. How many settlers do you think could stagger under that? Why not make the workers contribute to their own insurance, the same as any other individual. It would not be a great hardship, and a great inducement for them to save their wages. I think the restrictions imposed on the land by the Government are an insult to any practical settler, for in most instances, if the settler is a real *bonâ fide* settler, he knows more about the land than the Government can tell him, and it is only under the leasehold tenure that such restrictions could be thought of. Give the settler the right to make his farm freehold and he will study his farm and need no restrictions; whereas in the leasehold tenure a man is more apt to study his pocket than the land, because he can rise out and leave it at any time, as under a revaluation system his interest is cut down to the smallest limit. If the land is to be loaded for roading, such loading should be handed direct to the County Council, and they should let the roads by contract, as the cheapest and best mode of procedure. The co-operative system is a downright failure, as the following figures will show: Part of Mangahe Road was let to contractor; co-operative estimate, £500; contract price, £298. There is no doubt the advances-to-settlers system would have been a grand thing for the settler, especially freehold settlers, as they were entitled to more than a leaseholder, if it had not been for the Government issuing colonial short-dated debentures at 4½ per cent., making it impossible for them to lend money at the same rate of interest; consequently if applied for now we are told that there is no money in hand. The aggregation of large estates is impossible in Ngapaeruru, as one settler is only allowed 640 acres of first-class land, and by the time he can acquire the freehold dairying will have put the land beyond the price of sheep-farming, and the improvements done in the way of fencing and building would not suit a large estate-holder at all, as they would constitute dead money. Besides, it is quite possible for the Government to bring in a Bill limiting the area to be held by any individual. As to pressure of residence con-

ditions, there is a block of land in Ngapaeruru at the present time—about 1,500 acres—belonging to Maoris. This land should be occupied in some shape or form, for at the present time it is overrun with rabbits and noxious weeds in the shape of Californian thistle, which is spreading at a rapid rate. I also think it unfair that this land is not rated for roading purposes. The settlers are bringing in roads and opening it up, increasing its value, and it is costing the Maoris nothing. The rabbits also are a great menace to adjoining settlers. In regard to the constitution of Land Boards, I think that rebate on rent punctually paid should be given to all settlers, on these grounds: The Government are the only landlords that demand rent in advance, and I think that, considering that they get it six months before it is earned, it is only right that they should pay interest for it in the shape of a rebate.

110. What do you require to pay in the way of premium to insure the men who take up bush contracts?—We are charged on the capital value of the contract, and bush land is the highest rate possible.

111. Can you say how much it costs you?—£5 6s. per cent.

112. If you are felling 50 acres of bush at a cost of £2 per acre that would be a £100 contract, and you would have to pay £5 6s.?—Yes.

113. It really means 2s. per acre?—Yes.

114. *Mr. Anstey.*] You say the workers ought to insure themselves: would not that be a cumbersome way of collecting the premiums?—What I was alluding to was that they should form bodies and pay in so-much to cover themselves in case of accident, so that the tax should not come so directly on the settler.

115. Do you think it well to have universal insurance, the insurance to be paid, say, out of the Customs to which all contribute?—I really have not gone into the matter deep enough to understand what you mean.

116. You spoke of your improvements being undervalued, and the unimproved value having gone up: does that apply principally to the purpose of local rating?—The instance I was citing was. About twelve months ago it was put up for rating purposes.

117. Do you think that would apply in the case of a lease subject to revaluation?—I should say it would.

118. Do you think there could be any equitable way of securing to the tenant the full value of his improvements?—It is so hard to reckon what a man's real improvements are. There is the logging-up and grassing, and that kind of thing; he has no face-value. If you clean up clean enough so that no sign of the old bush is left the valuer says there has been no bush there, and allows nothing for all that work, and values the land as if it had always been clear.

119. Do you think it is impossible to secure to the tenant the full value of the improvements without giving him the freehold?—I cannot think of any other way.

120. What about the tenants of educational reserves? If their improvements disappear will they not suffer a loss?—Yes.

121. So that they should get the freehold?—That seems like it.

122. The tenants of private owners should be treated in the same way?—Yes.

123. You have never received any rebate?—No, and when we have written about it we have been told that we paid too punctually, and therefore had no need for a rebate. From what I can hear, there are very few rebates given in the Hawke's Bay district, except in the case of Hatuma.

124. Do you think that either all the tenants or none of the tenants should get the rebate?—Yes.

125. Do you think the rebate should be allowed in accordance with the dearness of a section, or that it should apply all round equally?—All round equally, because when the Government let out land it should be properly classified.

126. Supposing a settlement was so dear that settlers could not make a living on it, do you not think it wise that a rebate should be made to them, rather than that they should have to give up the section and have it revalued?—In cases like that it might be well to revalue, but, of course, we oppose revaluation.

127. Can you suggest any way by which these Maori lands can be profitably occupied?—We were advocating that they should be individualised, but it seems that there is nothing to individualise.

128. Do you think that they should be taken over by the Government and leased?—They should have a capital value put on them and be worked.

129. Do you consider that the land held as it is is a menace to the other settlers?—It is.

130. What about the block that you spoke of. Are there a number of Maoris living on it?—None at all.

131. Where do the owners live?—I have not the ghost of an idea.

132. Have you any idea of the number of hapus interested?—No.

133. *Mr. McCutchan.*] In connection with these blocks of Native land upon which no Maoris are living, seeing that that land is not necessary for the Maoris to get a living out of, would you advocate such properties being taken under the Land for Settlements Act, and placing the proof of ownership on the Natives themselves?—Yes.

134. There would be no delay in the settlement of blocks?—That would be the right and proper way to take it.

135. Do you think in the case of valuations being made that it should be an instruction to the valuers that they are not to enter on the land without the owner or the person in occupation accompanying them?—I do. Unless the settler is present the valuer cannot know what has been done on the place.

136. Is it within your knowledge that valuers have made valuations without having any communication with the owner at all?—As far as I am concerned, I never saw or met the valuer until I met him in the Court at Dannevirke.

137. You spoke of the contrast between the cost of co-operative work and contract: was the work actually done for £298 by contract?—Yes.

138. How did you arrive at the estimate of £500?—We got it from the Inspector of Roads.

139. Did the men make fair wages?—Yes.

140. Was the work done by the local body or under Government supervision?—I could not tell you for a certainty.

141. *Mr. Paul.*] Are you positive that the co-operative estimate as you state it is correct?—The Overseer of Roads told us it was that.

142. Were you successful in appealing against your valuation?—I own two sections, and I got £50 taken off one section.

143. *Mr. McCutchan.*] The reply you got from the Department with regard to the rebate of rent was that you paid too promptly?—I never actually applied for a rebate, but I was told that there was no rebate, and that some who had written had got that reply.

144. Is that an inference that the lands were taken up at such a reasonable figure that the settlers were doing very well, and that a rebate was not necessary?—That, of course, is a question for the Government to decide. If they let land too cheaply it is not for us to say anything about it. There is a rebate, and if it is granted to one it should be granted to all. They collect the money six months in advance, and it is only natural that they should pay interest on it for that time.

145. Do you think it would be well to put this money into a fund for helping and assisting settlers who, like those on Pomahaka, are paying too much for their sections?—It would be better to do that than not use the money at all.

JOHN ALEXANDER ROBERTSON examined.

146. *The Chairman.*] What are you?—I am a farmer and surveyor. I farm about 1,100 acres in the Maungata Special Settlement, and pay about 7s. an acre. It is open land and has originally been bush. It was cleared and grassed and partly ring-fenced when I got it. I am satisfied with the land and the tenure. I hold the land as a small grazing-run. I was asked by the settlers in the settlement to give evidence on one or two matters. I understand that the settlers are quite satisfied with the Hawke's Bay Land Board, but the general opinion is that it would be an advantage to the district all round if one member was elected by the settlers. The meeting were unanimous that the terms of all leases of Government lands should include the option of purchase after the usual conditions on which the land is held are carried out. Some of them are lease-in-perpetuity people and some are small-grazing-run holders. We are under the impression that the system of loading land for roads is radically wrong, because from our point of view the settlers pay for all time on that loading. In the case of small-grazing-run leases it increases the value of the land, and it adds to the rates they have to pay. We think it would be a great advantage if the Government in cutting up an estate were to give the applicants an idea as to what the rates would be.

147. It would be rather difficult for the Government to give that, would it not?—They could do it pretty closely. The matter of residence conditions opens up a very large question, and I think that no land should be thrown open without the roads being first made, so that a man can have decent means of access.

148. Do you mean the road to each section?—I mean the main roads through the block. All roads giving access to settlers should be made passable for them.

149. Do you mean simply formed?—Yes; not necessarily metalled. In this particular settlement, before the land was opened up, it was mentioned that the Government was going to spend a certain sum of money on certain roads. One of those roads has been formed and partly metalled, but the other roads have not been opened for stock yet, although it is over three years ago that that statement was made. A start has been made, but that is only in consequence of settlers urging it. There is another part of the same estate to be thrown open at the end of this month, and the people will have practically no means of getting on to the land.

150. Is it part of the Maungatara Estate also?—Yes. A great deal has been said about the difficulty of getting settlers to reside on the land, but one can hardly wonder at that. Take, for instance, a married man with a family, who has to go back to one of those sections. He knows that if once he gets back there, and anything happens to any of them necessitating a doctor, it will cost him a month's wages, and, not only that, but he also knows that it is next to an impossibility to get any of his family out should it be necessary to do so. The same thing applies in the case of a young fellow who is looking forward to marriage. He stands a chance of his intended wife saying to him that she will not go in to be buried in such a place. This want of roads to the back blocks has kept the country back. We heard some little time ago a good deal about the birth-rate not increasing, but if you give men the chance of having homes they will get their wives out there; but, as it is just now, the women say we cannot go to live in places like that. So by giving good roads I think you will very much help the settlement of the country. The general opinion is that there is far too much money spent in the towns. Of course, every town wants its buildings; but, speaking from the settlers' point of view, I think a great deal of money has been spent on the buildings in the towns which would have been very much better spent on the roads in the country.

151. *Mr. Anstey.*] What are the terms of your lease of the small grazing-run?—Twenty-one years, with revaluation for rent and valuation for improvements. I am quite satisfied with it.

152. And why is not the lease in perpetuity satisfactory?—It is just the old story, that a man wants to have his own in his own name.

153. Do you not want to have yours in your own name too?—I would like to, but my lease is a short one, and is more of a lease than the other. The other is a lease in name only.

154. You think the other lease is better than yours?—From one point of view, it is.

155. Do you think you ought to get the freehold too? Have you the same claim to it as they have?—I hardly think I have, because I have taken it more as a lease than they have. I would like to have it as a freehold, but I do not know I would put myself in a position to claim it the same as they have.

156. *Mr. McCutchan.*] You have the right to take it on for a further term?—Yes.

157. Is there an extension for a third term?—I understand that it goes on with a revaluation.

158. Do you think there ought to be some more systematic way of valuing the unimproved values in connection with tenants' improvements in all cases where there is a revaluation clause?—I cannot say much about that matter. One trouble we have is in regard to our rating. In the case of a small grazing-run they capitalise our rent, and we find that we are paying a much higher rate than our neighbours under the lease in perpetuity.

159. And in the case of the Crown tenants they have a much lower valuation under the Land Act of 1892?—It depends on the valuation and the rent.

160. Yours is capitalised at 6 per cent.?—Yes. If you capitalise the land at 6 per cent. that land which is valued at 7s. an acre recently could be run up to a very high rate in value, and in this district a short time ago we had a revaluation, and the leases in perpetuity were all lowered, but the small grazing-runs were not lowered because the Department said it could not affect us. They lowered our valuation but could not lower our rating value.

161. They lowered your rental?—No.

162. The head and front of your objection is that the local body levies a rate on the capital value of the land?—That is one objection.

163. You think the loading is to cease when the Government is reimbursed?—Certainly.

164. After twenty-six years you calculate that under the Loans to Local Bodies Act the principal and interest are wiped out, and you think the loading charge should then cease?—Certainly.

165. What would be the present position of the lease-in-perpetuity tenure in that case?—I never thought of it. I could not tell you the position.

166. We will say the piece of land is taken up at £1 5s. an acre—£1 is capital, 5s. is loading—and suppose they borrow under the Loans to Local Bodies Act to extinguish the loan, would they have to pay the £1 5s. to extinguish the £1 after ten years?—Probably they might put a higher valuation on the land.

167. It is a simple matter for equitable calculation?—It seems to be a matter for calculation. I have never reasoned the thing out in that way, but have always thought that after a certain number of years the whole thing should be wiped out.

168. Some settlers advocate that where the land is loaded for roads they should be able to raise a loan under the Local Bodies Act, and be able to extinguish the loading in twenty-six years if at 5 per cent., and forty-one years if at 4 per cent.: do you think the Government should legislate in that direction?—I have never thought the matter out.

169. You stated that your rates were £70: what do you allude to?—County rates only.

170. Are you getting the expenditure where you want it?—As far as the county is concerned, I suppose they are treating us in a fair way, but the Government promised to make certain roads which they have not carried out.

171. Can you say if the total amount of loading for expenditure on roads in the block has been spent?—I cannot say, because I do not know the ground.

172. With regard to the difficulty of getting doctors in the back blocks, do you think the Government might reasonably take the matter in hand, with a view of getting suitable doctors from Home?—A doctor would not stay there a month in many places if he was there in winter.

173. If people of gentle birth are prepared to come from the Old Country and go out to the back blocks and endure the hardships, they should be sufficiently compensated. Do you not think there are many young doctors of the class I referred to who would be prepared to come out here and endure the hardships of the back blocks if they are amply compensated?—I do not think they would stay in the back blocks. If you had had any experience of a real back block I do not think you would expect them to stay.

174. Thank you. I have only had thirty-one years' experience of the back blocks of the North Island, at Whangamomona. Then, your cure for the whole position is an adequate roading policy?—That is my cure.

175. *Mr. Paul.*] You say the settlers want one member elected to the Land Board?—There is an impression that the settlers should have a say in the constitution of the Board. They are quite satisfied with the constitution, but they think there should be one member there to specially represent their interests.

176. That is the Crown tenants only you refer to?—Yes.

177. Do the settlers consider that if the option of purchase were given that it would be a more valuable tenure?—Oh, yes.

178. Do they propose to pay anything to the State for the right?—I do not think they do.

179. Do you think that they might?—They are under the impression that it might be included in the lease just as an option.

180. Do they propose to pay anything for the more valuable tenure?—I do not think so.

181. *Mr. Johnston.*] What does that rate of yours run into per acre?—I have not worked it out.

182. Have you had any experience of the Advances to Settlers Office?—No.

183. *Mr. Anstey.*] What is the county rate?—There are several rates, but the general rate I could not tell you; I think there are four different rates.

THOMAS STEWART examined.

184. *The Chairman.*] What are you?—I am a farmer, farming about 1,500 acres of freehold. My land is near Ti-tree Point, on the coast, twenty miles from here. I have been forty years farming, in the back blocks all the time.

185. Are you representing any one but yourself?—Only myself. I am in favour of the freehold, for the reason that a farmer feels with a leasehold tenure he might be disturbed, and might lose the value of the improvements he has put on the land. The system I consider the best is the leasehold with right of purchase. Most of the men who take up small areas have a limited capital, and what they have is required for improvements.

186. Have you been a witness in any way of the leasehold system?—I saw a good deal of it during the first few years of my experience. I have been in the back blocks all the time.

187. How are you off for roads?—Very badly, indeed.

188. Have you gone in for any local loans in your district?—Yes. I am not a member of any local body, but I have to pay my share of the taxes.

189. *Mr. Anstey.*] Are there many leaseholders in your immediate neighbourhood?—No, they are mostly freehold; they were leasehold at one time, but have now acquired the freehold.

190. *Mr. Paul.*] Has the leasehold been successful in placing any poor men on the land?—It has placed a good many poor men there, especially this 999-years lease. But I think it has also been the means of doing many poor men an injury, whom I think would have been much better off the land until they could have got there in a proper manner. A good many people have been induced to go on the land under that system without thinking of what they were doing.

191. Do you think it was against the best interests of the colony to put them on the land?—I do.

192. *Mr. Johnston.*] Have you ever been a leaseholder yourself?—Yes.

193. And you have made it a freehold?—I did.

194. Could you have gone on to that piece of land if it had not been a leasehold?—I might.

195. I want you to give me Yes or No?—It is hard to say. I really could not tell you.

196. Is it not a fair presumption that you could not have acquired those 1,500 acres unless it was first a leasehold?—I would not say that.

197. You know perfectly well when you took it up that you were in a position to acquire the freehold?—I could not truthfully say so. I do not know what I might have done if I had been asked to try.

198. How far did your experience of the leasehold extend?—About eleven years.

199. What experience have you had outside this particular district?—I have had no experience outside Hawke's Bay Province.

200. No other experience?—No.

201. You have never seen any settlement under the Land for Settlements Act?—Yes.

202. Where?—Around the neighbourhood here.

FRANCIS ANDREW CUNNINGHAM examined.

203. *The Chairman.*] What are you?—I am a farmer, holding 1,100 acres. It is a small grazing-run. I have held it seven years, and pay 3s. 6d. an acre rent. I am in Mangatoro Settlement. I have been there three years. I am satisfied with my tenure. I have never had any difficulty with roads; I am living on the main road. I was asked by our branch of the Farmers' Union to support the freehold. We have about twenty-five members, and they are all in favour of the freehold.

204. Are they all Crown tenants?—I am not quite certain, but, as far as I know, they are all in favour of the freehold. At the meeting that was held those who were there were unanimous, but I do not think they were all there.

205. How many were there?—About a dozen. They are all leaseholders. There are only about five small grazing-runs on the place.

206. *Mr. Anstey.*] You are quite satisfied with your tenure?—Yes.

207. You are not one of those who want the freehold?—I think not myself, but I would like to be able to acquire it in time. I think it ought to be optional.

208. But, still, you are quite satisfied to remain as you are?—I must say I would prefer to be able to acquire the freehold if possible.

209. What are the terms of your lease?—It is subject to revaluation at twenty-one-year periods.

210. Do you consider it is as good terms as lease in perpetuity?—It is very much of a muchness as far as I can see. I have a right of renewal with a revaluation. I think I am paying about the same as if it was lease in perpetuity.

211. But, supposing at the end of twenty-one years the land increased in value, your rent would probably go up, while other people's would remain stationary?—The unimproved value may not be very much in twenty-one years.

212. Still, it may, and we have had one or two witnesses who say that the unimproved value is going up?—I shall have to take the chance.

213. But if you take the chance of a rise in rent you will not then have what is as good as a fixed rent?—It is hard to say, but I think the chances are about equal.

214. Why do these people want the freehold?—It is more a matter of sentiment than anything else. One feels more contented and satisfied when one knows that he can acquire the freehold, even if it was occupation with right of purchase or a small grazing-run.

215. Is that the only thing why they want it—sentiment?—I should think that was quite sufficient, because it induces a man to work, and makes him more contented.

216. Could he produce any more off his farm if he had a freehold than he could off it as a leasehold?—It depends on the nature of the man to a certain extent. Some men do more under certain conditions than others. Some do their best at any time, whether working as managers for some one else or working for themselves.

217. Is there any difficulty in borrowing money under this lease?—Yes, there is. You could not get nearly as much for it. You would have to put down a good deal more money yourself first if you had a lease in perpetuity than you would if it were a freehold.

218. I am speaking of borrowing money?—Yes.

219. You would have to put down more money when you borrowed?—You would have to have more.

220. You mean you would have to have a larger margin of security?—Yes.

221. Then there is some difference besides sentiment—there is a great deal of difference there?—Yes, but you would be able to get money on better terms with the freehold.

222. Supposing a man wanted to sell out his interest, which would be the best, the freehold or the lease in perpetuity?—The freehold.

223. There is something more than sentiment there?—Yes.

224. Do you think it would be wise for the State to entertain the idea of making this alteration in its own agreement with the tenants?—I think they would be quite safe in doing so, because, if the Land Board carried out its duty properly, there would be no fear as to the aggregation of large estates.

225. I am not speaking of aggregation at all. The Crown and the tenants have entered into a bargain—do you think it would be wise to interfere with that bargain?—I have not thought it out sufficiently to give an opinion.

226. *Mr. Paul.*] Are the small-grazing-run holders satisfied with their tenure?—Yes, as far as I know.

227. You feel very strongly on the question of freehold?—Personally, I think it would be very much better to have the freehold.

228. Was it the committee of the Farmers' Union which asked you to come here and give evidence?—Yes, our branch of the union.

229. Did they have to press you to come here?—No, they asked me if I had the time to come here; nothing more. We have not discussed the matter in any way which was wrong. I think we ought to have met several times and discussed the whole business, so that I would have been better prepared in coming here.

230. Do you mean to say the branch has never discussed the question?—Not in my hearing, barring the one time. We might have done a little more in that way. They only asked me once if I would stand, but they never notified me that I had to give evidence. I did not know for certain till yesterday that I was expected to attend the Commission, but they asked me last night to come in.

231. Do you think the lease in perpetuity would be a more valuable tenure if it had the option of purchase with it?—I think so.

232. Do the settlers propose to pay the State anything for that more valuable tenure?—I should not think so.

233. In other words, they want something for nothing?—I do not know that they do.

234. You admit that it will be a more valuable tenure if they get the option, but they do not propose to pay anything for it: is that the position?—Yes, I suppose it is.

235. *Mr. Johnston.*] Had you been a settler on the land before you took up this land?—No.

236. Did you not discover that you wanted the freehold before you put in an application for the leasehold?—No.

237. You were satisfied with the tenure when you applied for it?—I said before that I was satisfied with my tenure, but I thought at the same time I would like to be able to get the freehold.

WILLIAM WYLIE examined.

238. *The Chairman.*] What are you?—I am a farmer, holding 461 acres of leasehold with the right of purchase. I have held it about six years. It is in the Ngapaeruru, sixteen miles from here. It was all bush land originally, but is all in grass excepting 12 acres. I am paying £26 a year, the upset price being £1 2s. 6d. an acre. We have very good roads, for the reason that the settlers rate themselves to raise loans to form, bridge, and metal the roads. Had it not been that the settlers exerted themselves, I do not think the roads would have been formed yet. The settlers are also loaded with 7s. or 8s. for roading, and they have to pay interest on that amount of money, and at the end of ten years, when they make the sections freehold, they have to pay the whole of that money back in full, and pay interest on the amount as well. Also, owing to the settlers having rated themselves to raise these loans, the expenditure of which has increased the value of their holdings, they have to pay extra rates besides. This is very hard on settlers in the back blocks. I have no private grievance, but was simply delegated to come here and express the opinion of the settlers as to the freehold. The settlers here have taken up the land under the occupation with right of purchase mostly. A few are under the lease in perpetuity, but the feeling is, without exception, in favour of the freehold. A number took up sections under the lease in perpetuity, not knowing what they were doing. They found out their mistake afterwards when they went to raise money to improve their holdings. In bush districts men without capital require to raise money, but they cannot raise sufficient on the leasehold, and, therefore, they are handicapped with respect to improvements, and cannot get the return they ought to get within a given period. Not only that, but should a settler through unforeseen circumstances come into a little capital and wish to take up a large holding, he cannot sell out to the same advantage, because people will not give as much for a lease in perpetuity as for an occupation with right of purchase. I understand that the reason the Government brought in the Land for Settlements Act was to stop the aggregation of large estates, but I think they might have provided for that under the present Act. Under the Act a person may declare before a Justice of the Peace that he only holds a certain area of land. If the Land Transfer Act were amended to compel a man to do the same

in that case, he could only acquire a certain quantity of land; but, under the present law, if you have the capital, as soon as the land becomes freehold you can buy fifty thousand pounds' worth. The Government should positively say the amount of land an individual should be allowed to hold. In some of the back districts 640 acres would not be equivalent to 320 acres near a large centre, and 1,000 acres of first-class land ought to be the limit.

239. Do you mean to apply the restriction to Crown lands only, or to lands in general?—To all lands in general, because under the present Acts if you make it optional every person is satisfied.

240. Of course, in New Zealand now there are some very large estates. Would you leave them alone or compel them to subdivide?—I do not know.

241. Would you compel them to divest themselves of the land now, or would you wait until they die and probably divide it amongst their families?—I do not say I would wait until they die. If the land in these large estates was good agricultural land, as long as they employed labour and paid rates and taxes I would not cut them up. But there are hundreds of thousands of acres of Native land which I would cut up first before I would take the other estates which are suitable.

242. *Mr. Anstey.*] You object to paying interest on the loading and then adding the whole to capital. Supposing you borrowed money on mortgage for ten years you would have to pay interest on that, and I suppose the mortgagee would expect you to pay back the principal as well?—I understand you can borrow under some system for a number of years, and you pay off the interest and principal in instalments.

243. You would have to pay interest and principal back if you borrowed money, would you not?—Certainly, I would have nothing to complain of then.

244. *Mr. McCutchan.*] In connection with the loading of lands leased under the occupation with right of purchase, after ten years there is the right of purchase. During these ten years the lessee not only pays interest, but pays a sinking fund as well, and he has the sinking fund then back, inasmuch as he had it to pay up the capital with in order to acquire the freehold of his section. Is that your position?—Yes.

245. *Mr. Paul.*] Would you place any other restriction on the freehold?—I would not place any restriction on the freehold, but I would limit the area.

246. When a man had the freehold you would allow him to do as he liked with it?—Certainly, to a certain extent.

WAIPUKURAU, THURSDAY, 8TH JUNE, 1905.

WILLIAM COWPER SMITH examined.

1. *The Chairman.*] What are you?—I am a member of the Legislative Council, and have been a resident in this district for thirty-five years. I have an interest in a bush farm.

2. Is there any particular matter you wish to bring before the Commission?—Yes. I may say that as a member of the Legislature I express no opinion as to the question of leasehold *versus* freehold. It will be time enough to express my opinion when the question comes before Parliament for decision, and before making up my mind on that important question I would like to hear what the Commission has to say upon the matter, and to have the full evidence before me. I desire, however, to bring before the Commission a proposition that has been mooted between the settlers and myself. It is this: That leaseholders should be allowed to pay at any time to the receivers of land revenue any savings or spare capital they may have, either on account of future rents, in which case interest should be allowed on such advance payments, or, if preferred, to go towards the reduction of the capital value of the leaseholder's section, in which case the future rent to be reduced in proportion to the amount paid. This would encourage thrift, and provide for future bad years and old age, when the settler's working-power will be reduced. With reference to that proposition, I sent the following telegram to the Premier:—

“Right Hon. R. J. Seddon, Dunedin.

“SETTLERS wish to know if regulations could be made allowing leaseholders to pay to the receivers of land revenue any savings or spare capital they may have from time to time, to be credited, with interest, to their rent account, and thus provide for future bad years or old age, when their working-powers will be reduced.

“W. C. SMITH.”

To that telegram I received the following reply:—

“Hon. W. C. Smith, Waipukurau.

“BEING a large policy question, I am unable to give you a definite reply to question submitted in your telegram, as to Crown tenants depositing any spare capital with Government on rent account. This question should be submitted to the Commission, so that the Commission could report on it. It seems to me at first blush to be reasonable.

“R. J. SEDDON.”

That telegram was dated the 31st May. Having been a member of the House of Representatives for this district for many years, I had a great deal to do in the early days with the settlers and with the questions affecting the settlement of the land. In the case of shorter leases it may be a different thing, but I have formed the opinion that when a man's improvements belong to himself, and he can sell them, that regulations interfering with the settlers are not required, and causes ill-feeling on the part of the settlers against the leasing system. I therefore hold that all regulations as to cropping, or other restrictions affecting leases in perpetuity should be abolished as irritating and unnecessary, there being no risk of a 999-years leaseholder injuring his farm. Another point is this: That in the case of improved properties the present system of uniform improvements should be modified so as to allow of each improved section to be treated separately on its merits when fixing the improvements to be made by the tenant. If a farmer has a house and other improvements on his section it seems to me ridiculous that he should be made to do the same improvements as a man who has little or no improvements on his section. Those are the

three questions I specially wish to bring before the Commission. I might point out that the rental in the case of ordinary Crown lands is 5 per cent. with the right of purchase, and 4 per cent. without the right of purchase. If the 4-per-cent. people are given the right of purchase there is no doubt the 5-per-cent. settlers will come to Parliament and say, "We want that extra 1 per cent. we have been paying all these years returned. We were paying it because our lease had a freehold clause in it, and now the other settlers who have only been paying 4 per cent. are to have the right of getting the freehold." There is no doubt claims amounting to many thousands of pounds from settlers will be made, and I think they will in that case have very good moral claims too. That has to be taken into consideration. There is another thing affecting this district. It will, however, be more for Parliament to consider than for this Commission. That is the question as to whether it is right to part with the freehold of land to one person in the case where that land has been compulsorily taken from another person. I am strongly in favour of the resumption of large estates. I was the first member of Parliament in this district who, in 1881, stood up and declared, at Waipawa, to a hostile audience that I was in favour of the resumption of absentee-held estates, and I said that Hatuma should be taken; and, strange to say, Hatuma was the first estate taken by the Government nineteen years afterwards. The question to be decided is whether the Crown, having taken land compulsorily from some people, should part with the freehold to other people. I think it is perfectly right that they should have the power to resume land for settlement purposes. It has been pointed out to me by settlers that supposing the freehold is granted and residence is done away with—of course, there can be no compulsory residence once the freehold is granted—the fact of certain holders of land not being compelled to live on their sections would be unfair to other settlers in the same district who are compelled to live on their land, because it would have a bad effect in regard to schools, post and telegraphs, and other conveniences that settlers require." I bring up this point because my attention has been drawn to it by some settlers who are unable to attend personally and give evidence before the Commission.

3. You think that restrictions as to cropping might be done away with?—Yes.

4. And you are of opinion that a man who takes up a 999-years lease will not spoil his land by overcropping?—I think so.

5. The evidence taken by the Commission in the south showed that there are many cases where it is evident there should be some restrictions?—I have stated what I believe to be the general feeling of the settlers in this district in regard to this question. I am not a practical farmer, however, and do not pretend to argue that question.

6. *Mr. Anstey.*] You spoke of the unfairness of enforcing residence conditions in some cases and not in others: do you think that the same regulations in respect to residence should apply to freehold land as to leasehold land?—It is not freehold if there are regulations.

7. Is there any freehold land now at all?—It is called freehold.

8. Is it not subject to restrictions now?—It is not subject to restrictions of that kind.

9. Has a man got to live seven years on freehold land before he gets his title?—I mean when he gets his freehold title.

10. Are there any restrictions on leasehold land?—Yes.

11. Do you think the same restrictions should apply to freehold as to leasehold?—I say that is impossible. That is my answer.

12. *Mr. Johnston.*] You object to these cropping regulations. Supposing a man who is cropping land is mortgaged up to the hilt, and he puts all his land down into crops in spite of the Land Board in one season, and threshes and sells the grain, and then walks out, what position is the Land Board in? Such a thing has been done in the south?—I have had no experience in this district of that.

13. That is one of the reasons for these restrictions?—I am speaking from my own local knowledge.

14. The Land Board must be guarded. Supposing you did get a bad settler, he might overcrop the land to its detriment and mortgage the property: how would you deal with him? Do you not think it is necessary to have these restrictions to meet that class of settler?—There are always special cases that will arise. I do not know how he can get the money. The property belongs to the Crown. I do not think that in this district they would lend him anything like the full value.

15. You allude principally to these new settlements?—Yes, entirely.

16. Has the Land Board ever refused a settler the right to take more than the regulation number of crops?—I do not remember any such case.

17. Do you know the Land Boards to be at all unreasonable in dealing with settlers?—No.

18. Have you seen the settlements in the South Island under the Land for Settlements Act?—No.

19. Has Hatuma been a success?—Yes.

20. Have all the settlements that have come under your notice been a success?—Yes.

21. And are the settlers contented?—Yes. They had a struggle during the first year, but they have got over that now.

22. The Government have met them?—Yes.

23. Do you not think the Government is as likely to meet them as reasonably as any one outside the Government can do?—Most decidedly.

24. *Mr. McCutchan.*] In speaking of allowing settlers' rent to go against the land—that is in the case of lease in perpetuity, is it?—Yes.

25. Do you advocate that also under occupation with right of purchase, or would you let the savings go against the capital value?—I would give the settler the option.

26. After a settler has got his section and pays rent for ten years he has the right of purchase?—Yes, under that system.

27. Do you advocate that his savings may be taken prior to the time the right of purchase is exercisable, and so reduce the capital value of his land?—Yes; I do not see any difficulty in that. I was speaking absolutely in respect to the 999-years lease. I did not before consider the other case.

28. When a man buys land for cash now he has to put certain improvements on within seven years. In addition to the improvement conditions would you advocate that he should be made subject to residence conditions?—That is a question that I would like to give more consideration to. As I am a member of Parliament, that question will probably come before us, and therefore I would rather not reply to it now.

29. *Mr. Paul.*] Do you think it would be conducive to better settlement if some restrictions could be imposed on freehold land?—Does not that mean the same thing?

30. You are doubtful whether such restrictions could be imposed, and whether, if they were, it would still be freehold. If reasonable restrictions could be framed for that purpose, would that be for the good of the district?—It might turn out so. That is a matter that requires very careful consideration. I say that when a man gets his title no restrictions will hold good.

31. Are the settlers in this district generally prosperous?—There have been good seasons, and they are fairly prosperous. Since I was first elected to Parliament in 1881 there has been an enormous increase in this district both in population and in settlement.

32. Has closer settlement been in the best interests of the district?—Yes, no doubt it has. We have not got the full benefit yet, because the settlers of Lindsay, Argyle, and Hatuma have been putting all their money into their property, so that the townships have not received the full benefit of the increased settlement, but after a few years, and they have saved up money, they will be able to spend more in the townships around.

33. *Mr. Anstey.*] Do you think it is quite right that a freeholder, when he has got his title, should be allowed to do whatever he likes with it?—That is a question I decline to answer, because I have not gone into it; but I know that some years ago legal opinion was given that restrictions would not hold.

34. Are there no restrictions on existing freehold?—No.

35. Is a man allowed to do whatever he likes with his freehold?—Yes, if he has got his title.

36. Is he allowed to let it run to weeds?—He is subject to the laws of the colony. A man is allowed to do what he likes subject to the law, but he cannot go into a baker's shop, for instance, and take a loaf of bread without paying for it.

JOHN WILLIAMSON examined.

37. *The Chairman.*] What are you?—I am a farmer, and farm 190 acres under lease in perpetuity. My land is part of the Hatuma Settlement. I have been there four years. My rent is 8s. 4d. an acre.

38. Are you satisfied with your tenure?—No, I have no security.

39. Surely you have a 999-years lease?—Yes; but we are subject or may be subject to revaluation or a Fair Rent Bill.

40. That is not the law?—But we are frightened it might come about.

41. Are you a delegate appointed by the rest of the settlers?—Yes, I represent forty-five Hatuma settlers. At a meeting held some time ago Mr. Merrikin and I were appointed delegates to give evidence before the Commission.

42. What tenure would you prefer if you had your choice?—These forty-five settlers are in favour of the option of the freehold being granted, subject, of course, to improvements. That is all I have to say as representing the other settlers. Now, I will speak for myself. First, as to the residential clause. I should say that should be adhered to strictly. Then, as to the constitution of Land Boards, I should say they should be composed of practical men, and a majority of them should be farmers. I think that three members of the Board should be elected.

43. You think that men are apt to be nominated who are incompetent?—Yes.

44. How do you think the three members should be elected?—On the County Council franchise.

45. Does it not occur to you that if they were all elected, especially where there are many settlers holding land under lease in perpetuity, the tenants would practically rule the landlord, because the State would only be represented by one member?—If they were elected as I suggest they would be all practical, conscientious men.

46. But conscientious men are apt to be swayed by their interests at times—unwittingly, of course?—It is not necessary they should be tenants.

47. But in this district the majority of ratepayers and electors would be lease-in-perpetuity holders?—There are other ratepayers besides them. With reference to the ballot system and grouping, I think that grouping is a huge mistake, because it simply amounts to this, that you compel a man to take up land that he really does not want. The practice of loading land for roads I think is quite correct, but I think the distribution of the funds should be in the hands of the local body.

48. Was there any loading of the Hatuma land?—Yes, and it was heavily loaded too.

49. And was the money properly expended?—I sometimes think it was not properly expended. Then, with reference to the value of leaseholds, I do not think they have been improved at all beyond what the tenant has put on them.

50. You mean there is no unearned increment?—At the present moment I do not think there is. With reference to the aggregation of estates, I do not think that is possible if you retain the same conditions—namely, that a man shall not hold more than a certain area of land. As to the cropping conditions, I should say that after a man has complied with the improvement conditions he should be allowed to farm as he likes. I think, however, it would be wrong to allow a man to take two or three crops in succession, and thus throw the land back for some years. But if a man made the necessary improvements, I think he should be allowed to crop as he likes.

51. *Mr. Anstey.*] You wish to get the freehold of your lease-in-perpetuity section, as you think the tenure is not secure?—I do.

52. What makes you think it is not secure?—Because of the agitation for revaluation, and for the passing of a Fair Rent Bill.

53. Do you think it would be wrong to have your land revalued?—I do.

54. Do you think it would be wrong to interfere with your title in any way?—Yes.

55. You have entered into a contract with the Government, and you expect that contract to be carried out?—Yes.

56. But you do not think it would be wrong if you were given the option of making the land freehold?—That would not be a breach of the contract; it would be only a variation.

57. You think it would not be wrong to try and get a variation to suit yourself—you think it would not be wrong to alter the terms so long as it does not injure you?—I cannot see it in the light you put it. We would like to have the option.

58. The restrictions bother you, as well as the insecurity of tenure?—Yes. If we could be relieved of the restrictions it would help us greatly.

59. Would the tenure you desire be no better than the tenure you now have?—We want the option, whether it is better or not.

60. In respect to the ballot, you condemn the grouping system: would the single straight-out ballot be satisfactory?—Yes.

61. On Hatuma what crops are allowed to be taken?—Two green crops and one cereal crop. I think the cropping regulations should be altered.

62. Do you think that on the better sections of Hatuma you ought to be allowed to take more than two cereal crops?—As far as I am concerned, the crops I have taken out have not paid me at all.

63. The question is, whether Hatuma is suitable for more than two crops being taken in succession?—Yes; some of the land is suitable for taking four or five crops in succession; but I would not like a man to take two or three crops and throw the land back on the hands of the Government.

64. *Mr. Johnston.*] What is the total number of settlers on Hatuma?—I think there are fifty-seven.

65. Why did not the balance of the settlers sign this petition?—Ten or twelve of them did not sign it because either they would not or could not understand it, and they would not join with us.

66. Are they satisfied with their tenure?—Yes.

67. Is this a branch of the Farmers' Union, or simply a number of settlers?—They are simply settlers. Some of the settlers do not belong to the Farmers' Union.

68. Then, you represent these settlers and the branch of the Farmers' Union as well?—Yes.

69. Do half of the settlers belong to the Farmers' Union?—Yes, I should say so.

70. You want the Land Boards to be elected: do you not think the four members of the Land Board represent the farmers?—I do not know the men personally.

71. Have you had any trouble with the Land Board?—No.

72. Have they treated you properly?—Yes.

73. Have the settlers done pretty well?—I think so.

74. Then, do you not think it is well to leave well alone?—Not if we think we can improve upon it.

75. Do you think it would be an improvement to have an elective Board?—There are some settlers who say that the Land Boards are wrongly constituted, and they contend that the members of the Board should be practical men.

76. Have they found any fault with the Board?—I have found no fault whatever.

77. Could you get a better price for your land as freehold than as leasehold?—I could not say.

78. Could you sell it as easily?—I could not tell you.

79. Could you sell it as it stands at present?—I have never tried.

80. Have any of the sections ever changed hands?—A great many.

81. At an advance?—I dare say most of them have been at an advance.

82. Over and above the value of the improvements put on them?—I could not tell you that.

83. You think that a great deal of the work put into these sections is not visible when the valuation for improvements is made?—I do.

84. Have you had anything to do with the Advances to Settlers Department?—No.

85. Could you have taken up your section unless it had been a leasehold or occupation with right of purchase?—I could have bought it as an occupation with right of purchase.

86. But you could not have bought it as a freehold?—No.

87. Do you not think it is an advantage for a working-man to be able to go upon the land under lease in perpetuity?—I do not know—if he has to pay for 999 years, especially in view of the threatened revaluation.

88. *Mr. McCutchan.*] You said you would rigidly enforce the residence conditions?—I would.

89. Have you any knowledge of Crown-land settlements in the back blocks?—Yes, some years ago.

90. It is in reference to present conditions that you make the remark you have done?—Yes.

91. You say the settlers on this estate are of opinion that the expenditure of loading money could be done more economically by the local body than by the Government?—Yes.

92. You observed the expenditure of the loading money?—Yes.

93. Was that done by means of co-operative works?—Yes.

94. Do you think that the interest charged upon loading should cease as soon as the Government is reimbursed?—Yes.

95. You object to the interest charges continuing for the whole term of the lease?—Yes.

96. Do you think that after twenty-six years the interest charged upon the loading should cease, seeing that the State is reimbursed principal and interest in that time?—Yes, I believe that would be quite correct.

97. *Mr. Paul.*] Are the farmers using their land to advantage in Hatuma?—Yes.

98. What is there in the lease that prevents them using the land to the best advantage?—I do not know that there is anything in the lease that prevents them using the land to the best advantage.

99. Do the settlers consider that if they had the option of the freehold it would be a more valuable tenure?—As to the forty-five settlers, they consider they would be more independent if they had the option of the freehold. I do not suppose that those forty-five men could say whether they would be better off than they are at present.

100. Supposing you were given the option of the freehold free of all restrictions except as to the limit of 640 acres of first-class land, would that be satisfactory?—That would be all right if there were no more restrictions.

101. If there were no more restrictions, would it be a more valuable tenure?—Yes, I dare say it would be. I believe it would be.

102. Would the settlers be prepared to pay anything for that additional value?—I cannot tell you that.

103. The settlers did not discuss that point?—No.

104. You mean to say that these forty-five settlers came to the conclusion that they wanted a change, but they did not know whether it would be to their advantage?—They wanted to be independent.

105. If they had the option, would that be an advantage?—They would be more independent.

106. Do they propose to pay anything for that additional advantage?—They do not propose to pay anything more than their rent, and they wish to take over the land at the same valuation.

107. On the original capital value?—Yes.

108. Are they very keen on it?—No, I do not think they are.

109. Would they be prepared to have their improvements conserved to them, and the land put up to public competition?—I dare say a great many of them would be pleased to do that.

110. Would they be satisfied with their tenure if there was no alteration in the future in the tenure?—That was not discussed, but I have discussed it privately with a few of them, and I know that a good few of them would be satisfied with that, so long as there was no alteration in regard to revaluation.

111. You want three members of the Land Board elected?—Yes.

112. Are you going to give the non-landowner a voice in the election of the Land Board?—I think three should be elected and two should be nominated.

113. Do you think the citizens in the towns should have a voice in the administration and disposal of the national estate?—Yes, I do.

114. Are there any farms of 300 and 400 acres?—Yes.

115. Are they large enough?—Yes.

116. Would it be a bad thing for the district if two of these farms were grouped together?—I would restrict the area to 640 acres of first-class land.

117. Although there is a limit, do you not think it would be better to have two families making a fair living on two farms of 300 acres than to have one family living on 600 acres?—Yes. If the 300 acres is first-class land, the holder, in ninety-nine cases out of a hundred, would be thoroughly satisfied.

118. What I gather in visiting these estates is that, generally speaking, the area is suitable. In some cases it is a little too small, but, generally speaking, the area is suitable, and the settlement is in the best interest of the district. If the option of the freehold was given, and the area made 640 acres of first-class land, there would be plenty of room for grouping, and it seems to me that that grouping would be against the best interests of the district?—That might apply to first-class land within reasonable distance of cities.

119. *Mr. Anstey.*] Would you think it well to allow two or three farms on Hatuma to be sold and joined together?—In one or two cases that would be advisable.

GEORGE EDWARD MERRIKIN examined.

120. *The Chairman.*] What are you?—I am a settler at Hatuma, where I hold 324 acres under lease in perpetuity, which I have held for four years, and for which I pay 7s. an acre. There was a meeting at Hatuma at which a petition was signed in favour of the freehold. I am in favour of the option, and I consider that any man who is on the land, no matter what his holding, if he had the opportunity he would like to have the freehold.

121. Have your dealings with the Land Board been satisfactory?—Yes; I consider that the Hawke's Bay Land Board has treated the Hatuma settlers in a very fair way. I think that on a Land Board the more practical the man is the better an officer he will make. I know personally all the members of the Land Board, and two or three of them are as good as could be found.

122. Are you in favour of continuing the present system of the Government nominating the members of the Land Board?—I am.

123. Have you had experience of the advances-to-settlers system?—Yes.

124. Has it been favourable?—It is a complete farce. We had a very bad season in our first year at Hatuma, and through representations which we made to the Commissioner and the Minister we were allowed a third year in which to meet our rent. After the money had been practically lent to the settlers the Commissioner of Crown Lands was anxious to get the matter put on a business footing again, and sent out notices asking for the payment of the rents. I wanted £50 for a couple or three months, and, with several others, I applied to the Advances to Settlers, but had no

chance at all. I had spent about £1,400 on the section on fencing and improvements, and yet, although I only wanted £50 for a few months, I could not get it.

125. When you made the application, were you aware that the Department did not advance money to any one in arrear with rent?—I did not, and I was not told so. If that was the rule, I should not have had to pay for the valuer coming out, and all the expenses connected with it.

126. *Mr. Anstey.*] Upon what do you base your claim for the right of purchase?—My idea of the thing is this: Taking the majority of settlers all through New Zealand, and especially those that are on the Government sections, we have not got the money to buy the freehold. That is a matter that is at the present time beyond the means of the majority of people. I think we ought to have the right to pay into the Commissioner of Crown Lands what money we can afford from our good seasons up to, say, 90 per cent of our capital value, and that we should be allowed 5 per cent. on the money that we pay in. Under such an arrangement we would in time practically get the freehold.

127. Is there anything unjust or unfair in the present bargain with the Government?—I should not like to say there is.

128. Supposing you had the right to buy the freehold, would you have a better tenure than now?—Yes.

129. Much better?—It would be a better tenure, but I would not like to say by how much. The rentals of these sections are fully what they are worth. In the Old Country the rental is supposed to be one-third of the ordinary takings of the farm. If my rent was multiplied by three I would have to take off £1 1s. per acre under the rule which guides rents at Home.

130. On what terms would you expect to get the right of purchase?—The capital value at which it stands.

131. You would not be prepared to give anything more for the additional advantage?—No.

132. You are aware that a number of tenants on Crown lands have come before us and offered to pay an additional 1 per cent.: would you be prepared to pay that?—I do not know. I have never thought the matter over.

133. Have you received a rebate for prompt payment of rent?—Yes. From what I can understand from the Commissioner of Crown Lands in Napier, that is a matter that he would prefer to have taken out of his hands. There is a discretion allowed the Commissioners up to 10 per cent., and, I think, seeing it is only a matter of discount for prompt payment, that the amount should be a fixed thing. We only get 5 per cent., and there is not much in it.

134. Why do you get 5 per cent. and not 10 per cent.?—It is left entirely to the discretion of the Commissioner of Crown Lands. I think that all should get the same whatever the amount is.

135. Do you think that should apply where people have got particularly cheap, and therefore valuable sections, and also to those whose sections have been valued too high? Would it not be better to give this as a reduction to those whose rents are too high?—The land is supposed to be valued by experts, and all are supposed to be on an equal basis.

136. We were told that for the first year the Hatuma settlers did not pay their rent?—That is so.

137. They did not receive the reduction then?—10 per cent. was offered to the settlers to pay up their rent.

138. Did they get it?—Those who were in a position to pay it got it.

139. The others did not?—Certainly not.

140. Do you think that is a wise way of making a rebate?—I thought the Government were hard up for money, and it was a catch to get as many sovereigns as they could.

141. Do you think it is a good way of making a rebate, to give it to a man who is on a good section and who can pay his rent easily, whilst the man who is struggling gets no rebate?—The fair way is, I think, to have one rebate all over the colony.

142. *Mr. Johnston.*] Are you president of this branch of the Farmers' Union?—Yes.

143. Were the settlers at the meeting all members of the Farmers' Union?—I suppose so.

144. You refer to a petition: did it originate from the settlers themselves?—I believe it came from the Farmers' Union.

145. The head branch?—I believe it did.

146. Supposing your land was your freehold now, could you sell it to an advantage?—I have heard of land that has been sold near Waipukurau at a slightly higher price than what mine is valued at.

147. The true reason why you want the freehold is that you can get a better price for the land?—No. I should prefer to have the right in good seasons to pay in to the Commissioner of Crown Lands up to 90 per cent. of the value, and to be credited with 5 per cent. on the amount he receives from me, and so have my rental reduced by that means.

148. Could not you achieve exactly the same end by taking out an insurance policy?—I would rather make a savings-bank of my section. If bad times came, I might not be able to pay up my premiums.

149. Have you been long farming?—Pretty well all my life.

150. You have had practical experience in the colony?—Sixteen years.

151. Was it possible for you to get on to this land except for the conditions under which it was put on to the market?—Ninety out of every hundred who are on these sections could not have got on but for the conditions of settlement.

152. Are the four members of the Land Board practical farmers?—One is not.

153. You think your sections are rented at their full value?—Yes.

154. At the present time?—I mean at the time they were taken up.

155. Is this land overvalued if times were bad?—It would take settlers all their time to pay their way.

156. What is the necessity for the freehold, then, if they would have to mortgage?—They would like to have the option to pay off as fully as they are able to.

157. Do you think mortgagees would treat the settler as well as the Government did when you first took up Hatuma?—I should not think so.

158. They would have acted on the mortgage, and put you out?—I would not like to say so. I have had a little experience of them in the Old Country, and they are not so severe as that.

159. Do you object to the cropping restrictions?—Not personally, but I think it is very hard lines for the man who occupies high-priced land to be practically tied down to the same conditions as a man who occupies poor land.

160. Have the Land Board refused any extensions of cropping conditions?—I have not heard of any.

161. What weeds are on Hatuma Estate?—Cotton-weed and hawk-weed, but, taking Hatuma right through, it is very clear of weeds.

162. Is there any Californian thistle?—There are one or two patches.

163. Is it being eradicated?—I notice that the settler is doing his best to eradicate it.

164. Is there any ragwort?—No.

165. *Mr. McCutchan.*] Was there an agitation among the settlers for the freehold prior to the petition?—There was no agitation.

166. Did the agitation spring from the Farmers' Union?—There is no agitation.

167. You came here as a representative of thirty-five settlers, who held a meeting and resolved in favour of the freehold. Does the desire spring from the settlers or from the Farmers' Union?—From the settlers themselves.

168. Was it the settlers who moved the Farmers' Union to assist you in the matter?—There was no moving in it.

169. We will suppose that the present Government passes away in time, and a new Government comes in which will introduce fresh legislation, and we have a system of nomination of members of Land Boards as now. Do you think it will act equally well, or do you think the position of the State with regard to the land will be safeguarded sufficiently by statute, and that the members of the Land Board should be elected in order to safeguard the position of the settlers?—I think that the Government should nominate the members of the Land Board.

170. Do you think it is likely that any Government will nominate men to the Land Board holding adverse views to those they hold themselves on the land question?—I do not think so; but, still, they should be thoroughly practical men.

171. Do you think that if the Government nominated men to the Land Board who were opposed to their views that a sympathetic carrying-out of the land laws of the country would be the result?—Of course they would not; that is certain. I mean that men on the Land Board should be thoroughly practical men, no matter what views they hold.

172. Do you think it is not necessary to have men on the Land Board of thorough business instincts, and who will look on the business from a commercial standpoint, inasmuch as the State has got a pecuniary interest in these lands?—The Commissioner is the man who has that knowledge.

173. The Commissioners of Crown Lands are men, as a rule, who have spent their lives in a groove, and also perhaps excellent men with figures, still, they are not financial figures. Where there are five men, do you not think there should be one representing other interests than the interests of the settlers?—I would not like to express an opinion.

174. You got a remission of twelve months' rent on Hatuma?—Yes.

175. Was that rent wiped out completely?—Certainly not. I cannot speak from actual knowledge, but I believe when the time expires, which it does in the beginning of July, that practically the whole of the debts will be paid up.

176. It was simply a delaying of payment of the first year's rent for three years?—That is so.

177. I suppose you know that the Advances to Settlers Department has no power to advance money for three or six months?—No; but my point is, that if they knew they could lend me no money they should not have taken money from me for the valuation.

178. *Mr. Paul.*] Are the conditions of your lease satisfactory?—Yes.

179. Do you want to take any more crops off than the lease allows?—I am not a believer in white crops myself. I think, from what I can make out, that the Ranger has no objection to our cropping in the shape of rapes and turnips, but he does not bother me, and I do not bother him.

180. The restrictions do not bother you?—No.

181. Why are you not keen on the freehold?—I think if a man is allowed to pay off up to 90 per cent. he is as well off as a freeholder.

182. You think whatever ready cash they have that they have quite sufficient to do in improving their holdings, without bothering about the freehold?—That is the position.

183. You say that three of the members of the Land Board are practical farmers: what interest does the fourth member represent?—The industrial, I suppose. He is a storekeeper.

184. Have there been any transfers on Hatuma?—Yes.

185. To the advantage of the tenant?—I could not say.

186. Did the seller seem satisfied?—You cannot tell. A man might tell you he was satisfied, and still not be satisfied at heart.

187. Do you think the majority of settlers on Hatuma to-day could sell to fair advantage?—The majority of settlers on Hatuma have gone in for great improvements, and I should say it was very doubtful whether they would get back all their expenditure and something for their labour.

188. Have the land-values in the district increased outside this estate?—Yes.

189. *Mr. Johnston.*] You said just now that it was the settlers who agitated for the petition, but in reply to me you said the petition originated with the Farmers' Union?—I did not understand that there was any agitation about it. I do not want to make a mistake. I barely saw the

petition. I was asked if I was in favour of it, and I signed it, but I know nothing about any agitation in regard to it

190. The agitation did not come from the settlers, but it came from the Farmers' Union?—There was no agitation.

191. Well, the petition?—That came from the Farmers' Union.

192. The settlers did not get it up?—No.

193. *Mr. Paul.*] What were the terms of the petition? Was it to be presented to this Commission, or to be sent to the Minister of Lands?—I do not remember.

194. Did you sign it without reading it?—It was six or eight months ago.

195. Is that the petition which we have heard so much about that the Farmers' Union circulated throughout the colony?—As far as I know it was only in this district.

ALBERT EDWARD JULL examined.

196. *The Chairman.*] What are you?—I am Chairman of the Waipawa County Council. I have an interest in 200 acres of freehold.

197. Is there any particular point that you wish to bring before the Commission?—I wish to put several matters in connection with Crown lands and lands under the Land for Settlements Act before the Commission from the point of view of the local bodies. All Crown lands are exempt from rates, even where they are part of a special district over which a loan is raised, as the lands acquired under the Land for Settlements Act are Crown lands. Local bodies are in some cases deprived of rates for a whole year over a large block of land. This happened if the land was not disposed of prior to the 31st March, as the valuation rolls were made up at that date, and only the properties which were rateable at that date could be put upon the rate-book. To give an illustration: The Hatuma, Forest Gate, and Argyll Settlements were taken possession of by the tenants subsequent to the 31st March in the year that they were acquired. The tenants were not put upon the roll. Certainly the Crown paid the rates to the local body in the case of Hatuma and Forest Gate after a deal of delay and a great amount of badgering, but in the case of Argyll they have not paid anything. As a contrast the Mangatoro Estate was tenanted as at the 1st April, and those tenants were placed upon the roll by the Valuer-General, and had to pay their rates. This shows that the treatment is not uniform. In addition to this, where the properties acquired are subject to a special rate—for instance, on a loan such as Mangatoro was—the effect of the present law is intensified, as, owing to the valuation being based upon the rentals paid by the tenants, that portion of the estate acquired by the Crown was immensely increased in value on the roll, and the remaining 11,000 acres owned by the Assets Board, not being raised proportionately, the tenants had to pay an undue proportion of the special rate. The remedy, in my opinion, is to do away with the exemption from rates on Crown lands acquired under the Land for Settlements Act, and put such lands upon the same footing as Native lands under section 2 of "The Native Lands Rating Act, 1904" (paragraph 1), which provides that all such land that has been at any time acquired by purchase, lease, or in any other way for valuable consideration from any person shall be liable to the full amount of rates (including special rates) from time to time levied in the district or in any subdivision thereof. The small grazing-runs are treated in the most contradictory way. The valuation for rating purposes is based upon the rental capitalised at 6 per cent. As the rents are fixed, and the original value is, say, £1 per acre in the bush country, the result is that the valuation of property is constantly increasing while the rateable value remains stationary. As an illustration: In one small grazing-run of 4,020 acres in this country, the unimproved value of the land is £3,015, while the rateable value remains at £419. This is a distinct injustice to the neighbouring properties, and in the case of special rates for loans to make roads the position is intensified. Turning to small grazing-runs under the Land for Settlements Act the position is reversed. The rental was a fixed one, and based on the capital value. This rental for rating purposes is capitalised at 6 per cent., and, as the Waipawa County rates are on the unimproved value, I will cite a small grazing-run in the Mangatoro of 1,162 acres, where the unimproved value of the land is £5,810, while the rateable value is £6,657. Obviously, the remedy is to put all these lands on the same footing as regards valuations for rating purposes, and let them be valued in the same way as privately owned lands. If grazing-runs in the South Island require special treatment, that could be provided. Another anomaly is the amounts that can be borrowed by local bodies under the Loans to Local Bodies Act, which provides that counties can borrow up to £6,000 in one year, and Road Boards up to £3,000. As an illustration of the borrowing limits, take a small county such as Eden County, which has an area of about forty-three square miles, and has about thirteen Road Boards. These Road Boards and county could borrow (provided the Colonial Treasurer was simple enough to let them) £45,000 in each year, while such a county as Hawke's Bay, which has no Road Boards, with an area of about 3,000 square miles, can only borrow £6,000. An amendment is required giving borrowing powers in some proportion to size of counties and Road Boards and their respective rateable value. I am of opinion that the present system of balloting for land is not a good one. I believe that it encourages a large number of people to encourage others to put in applications for sections with a view to their own advantage, and that there is a speculative element in the balloting system which, if possible, should be eliminated, and, although my idea is one that may not work out in practice, still, I would like to give it. Before going further, I would like to say that although the values of the different allotments in this settlement are adjusted as well as possible, and the best persons are got to adjust the values, still, there are inequalities, and it is because there are these inequalities in the values that we find that there are some sections in the different blocks, which are called the "plums" of the blocks, which are eagerly sought after, and you find that probably a very large number of applications are in for a very few sections. My suggestion would eliminate the speculative element, and retain only the *bonâ fide* settler or applicant. It is briefly this, that every applicant would

have to satisfy the Land Board that he is properly qualified in every way, and when he has done that the upset values of these properties should be set out, and if there are more applications than there are sections, that there should be competition amongst the applicants themselves for the allotments, and if they are prepared to pay more for them than the upset price, then they should be allowed to do so, and to secure the section; instead of which we find it is currently stated—how truthfully I do not know—that very substantial premiums have been offered for the purpose of securing a section that some one else has drawn, or they have been offered substantial premiums for their sections which they have refused. If that is so, then somebody is losing this money, and it has been suggested that the original owner of the property is the man who is losing it. But that does not follow, because, in the case of many of these properties, the chances are that there are sections which are overvalued, and probably there are applicants for them in the tail end of the ballot. These sections are taken up certainly, but they always remain overvalued sections under the present conditions. It is a very difficult thing to deal with that question, but where those sections are overvalued I would suggest that any money which is received as premiums on them should be devoted to the roading of the blocks, and if there is any more required for the roading that the roading should be done by means of loans under the Loans to Local Bodies Act, so that, if there are any inequalities, that they will not be intensified by having a perpetual rent charged for the loading for their roads and other purposes.

198. You would do that by auction when you came to decide who was to get the sections?—Yes. It seems shocking to some ears to suggest holding an auction, but there are auctions going on now in the roads outside the room after a ballot, and it is not a *bonâ fide* auction, and there are cases where people are pestered with applicants who are anxious to cut in. The objection to an auction sometimes is that the poor man sometimes has no chance. It is suggested that the man who has the dollars would get the section. That does not follow at all, because you could make your auction pay your increased rental. I should give the man who is prepared to pay down the premium the right to do so, and the man who wishes to repay the premium over a period of years should have the right to do that under similar provisions as obtain under the loans to settlers in connection with repayments.

199. Coming to the first question, as to the losses which the local bodies are liable to in connection with the cutting up of these big properties: the practice was a few years ago that for the broken period the owner of the estate, say, Hatuma, for instance, put in a statement of the rents he paid for the whole year, and the Government said, "Very well, we shall pay our share whenever the property is handed over, and give you credit for what you have overpaid." Would that meet the case?—That does not meet the case at all. In the case of Mr. Russell, of Hatuma, the position was this: The property was purchased from him in February, and his rates would be paid up to the 30th June, and he would get the proportionate rebate which he was entitled to from the Crown.

200. When the Crown makes it up?—It pays it to Mr. Russell. That is all right, but we are not claiming that.

201. But Mr. Russell had paid beyond the end of March?—We are not claiming that, but for the next year from the 1st July after the settlers took possession.

202. Do you not rate the tenants from that time?—No. You cannot put them on the roll, and they are not "occupiers" as at the 31st March, which is the period for which the valuation roll is made up.

203. Is that the point, that you will not have all the rates for the whole year?—That is the point. It has happened in Argyll, and after various applications the Government made a contribution to us by a vote. In the case of Hatuma, after three years' agitation, the Government gave a vote to us based upon the old valuation, not upon the present one. But there is no continuity of practice at all about the matter.

204. *Mr. Anstey.*] Have you any Road Boards in your county?—Four or five.

205. Do you think a system of two local bodies working in the one area is economical or the reverse?—My view is that there should be no dual control, and if we are to have Road Board administration better let it be the Road Board alone. If it is county administration it should be the county alone.

206. In regard to the expenditure of other moneys, Government grants, &c., do you think that they should be expended by the local body, or would you introduce another spending body—namely, the Government Department?—I would not. I would abolish the grants excepting in exceptional cases, which would be dealt with by the Government in the same way as they treat men who are injured in their service.

207. Supposing you had full rating-power over Maori lands, some rating-power over Crown lands, and subsidies in addition, would the county then have sufficient finance to do without grants altogether?—The question of subsidies demands more than a passing allusion. My view is that the subsidy should be based not upon the total amount of rate which is collected, but upon the rate in the pound which is levied—that is to say, that those local bodies who are prepared to tax themselves most should be the bodies who should receive the most assistance.

208. You want a graduated subsidy on the amount of the rate?—Yes.

209. You have already actually lost some rates owing to this difficulty about the transfer of this land from the owners to the Government, and then to the tenants?—Yes, and we are losing a considerable amount because of the method of subsidising which is at present in force—that is to say, that there seems to be no end to the anomaly of the subsidy system. Even in the case of a county which has Road Boards, the basis upon which the Government pay a subsidy is not upon the rate which the county strikes, but upon the rate which the Road Board strikes. In those counties which have no road districts they receive a subsidy upon the amount of their rate, and where you have got some Road Boards in outlying districts you are mulcted very considerably in the amount of the subsidy you can receive.

210. In regard to Native lands, have you succeeded in collecting your rate from them this year?—The Act only came into force on the 1st April, 1905, and we have not struck a rate yet.

211. Will it be possible to collect it?—It will depend a good deal on who is Native Minister.

212. Do you find the rating on the unimproved system is a better one than rating on the capital value?—We find it very satisfactory. The difficulty in the matter is this, as to the definition of improvements. There is dissatisfaction in a good many cases, because it is contended that the valuation allowed for improvements is very inadequate.

213. *Mr. Johnston.*] Do you know that some years ago the system you advocate of selling the land by public auction was tried, and the result was that in the majority of cases the Government had to come to the rescue and reduce the rents?—Very well; will the Government come to the assistance of the man who purchases land with a goodwill of £500 and comes to grief.

214. The Land Board have no right to pass a transfer if they think the man is giving too much for it?—It is throwing a great responsibility on the Land Board.

215. The Land Boards have such power that if they think there is any suspicion they can stop the transfer or forfeit the section?—There is no way I think by which they could prevent it.

216. *Mr. McCutchan.*] In the case of special loans you pointed out a strange thing—that if an estate which is purchased is included in a special loan area, and that estate is cut up and some of the sections are not taken up, the burden of the special rate will fall upon the settlers who are in occupation of the land, and the original owner will pay nothing?—That is so.

217. When your Council propose to raise a loan the security is the rating area?—Yes.

218. But it is only a security to a certain extent. You calculate the rate in the pound which would produce the interest on the loan, and it is only to that extent that the rating area is liable?—No, because the rate varies according to the valuation. It is the fixed rate based on the valuation at the time the land is valued, but it varies from time to time. Otherwise how would you strike your rate? Supposing a block of land were subdivided, how would you get at what the original value was of a particular part.

219. If there is an assessment later on there is a variation in the rate, of course; but there is no variation in the amount that the particular district is liable for, and if the Government, after purchasing this estate, leave the particular sections out of the rating area until they are occupied the responsibility rests with them, and I do not think that the other selectors would be liable at all. Of course, this is only a layman's opinion, but, still, I think it is fairly correct?—Unfortunately, it is only a layman's opinion, and the opinion of leading counsel on the other side to whom the question has been submitted is against you, and, I am sorry to say, that we have got no redress; but, I think that, in order to get the point settled in a case like Mangatoro, I would like them to go to the Supreme Court and obtain the ruling of that body on it.

220. You have taken the best opinion on the subject?—We have taken leading counsel's opinion.

221. Regarding the question of subsidies and their anomalies, there is the rule that, as against the fact that people are prepared to load themselves, the Government will pay no subsidy on a rate struck under $\frac{3}{4}$ d. in the pound?—On the capital value.

222. Do you not think that if the ratepayers are prepared to rate themselves heavily that the subsidy should be increased in proportion?—Yes, and I would say that no subsidy should be paid below a certain minimum.

223. *Mr. Paul.*] Your proposal to supersede the ballot by the auction system is, that after the Land Board examines applicants, those who are approved by the Land Board should enter into competition for the sections?—Yes.

224. And by that you hope to eliminate a large number?—The sisters and the cousins and the aunts to begin with, and the goodwill would go to the people who need it, and the premiums I would utilise for roading the properties.

225. It would not bring in any additional revenue to the State except indirectly, but would prevent the successful applicant getting something for nothing?—Anything over and above the cost of roading would go into the Land for Settlements Account.

226. How do you propose to remedy the anomaly in regard to the rating of small grazing-runs in bush districts?—To alter the interpretation so as to allow the small grazing-runs to be rated in the same way as other lands on their actual value.

227. *Mr. McCutchan.*] To what extent would you advocate increasing the borrowing powers of local bodies? Would you advocate its being increased beyond the present limit of £6,000?—I think the principle that counties may only borrow up to £6,000 is a wrong one. Of course, you must have some regard to the rateable value of the county; but surely you would not give the same rating power to, say, a small county as to another where the area was conspicuously large.

228. Would you fix a maximum at all?—The Government have fixed a maximum in regard to the total amount which may be raised in the whole county in any one year. I do not know whether a maximum should be fixed, but if so I should certainly double it.

229. Do you levy a separate rate as well as a general rate?—Yes, in respect to special loans.

230. But not others?—No.

231. You spend a portion of your general rate upon by-roads?—We have a number of road districts which are merged in the county, and we maintain the whole of these roads out of our general rate. We keep no separate road accounts, but we keep riding accounts.

232. Would you advocate the keeping of road accounts?—I am in favour of riding accounts, but not road accounts. There is a very interesting decision of the Appeal Court on this matter just now, but the question of roading accounts is a big one, and would take a long time to discuss.

233. There are sometimes complaints that the settlers on by-roads cannot get rate expenditure, and in order to prevent that do you not think it would be wise for every County Council to be forced to keep road accounts, not necessarily that the money should be spent elsewhere, but in order to secure the repayment of it on its own particular roads?—I do not think I should burden the local bodies with a complex system of that kind. The expense would be enormous in the case of a big county, and I do not think it would be any good.

234. I know of counties where, although it is not a necessity by law to keep road accounts, they actually do keep them so that the ratepayers can see exactly the position of the road?—I believe that the Hawera County keeps road accounts, but you have to go only a little further and say that every man shall keep up his own road in front of his property, and do away with the local body.

235. *Mr. Anstey.*] You spoke of certain local bodies being too small, and you said one local body could expend the money more economically than two or more: do you not think that some of the counties are altogether too large to be economically administered?—The proposal was made last year for the division of Hawke's Bay County, but on reflection the petitioners went back on their proposal, and were contented to remain a happy family.

236. Do you not think it is in the best interests of settlement that there should be one local body to expend all moneys, and that that local body should be of reasonable size?—I think, certainly, it should be a reasonable size. The larger the better.

THOMAS BUTLER examined.

237. *The Chairman.*] What are you?—I hold 584½ acres lease in perpetuity, for which I pay 5s. 5½d. per acre. I am pleased with my tenure, but if we could pay off, say, as much as 50 per cent. of the capital value as we could afford it by instalments, it would be a good system. The rent could then be reduced proportionately. I am an original settler on the Hatuma. I have signed no petition for the freehold. I am quite satisfied with the Land Board; both it and the Minister have treated us well. At one time we were twelve months in arrears, and were not bothered, and if I have not got the money when it is due I am quite sure I shall always receive very lenient treatment. I would get the freehold to-morrow if I had the opportunity, assuming I could get the money to pay for it, but where can I get it?

238. *Mr. Anstey.*] Have you had any experience of the Advances to Settlers Office?—No.

239. Do you think you would ever be able to pay off a portion of the money if you had the option?—If we had the right it would settle this war-cry, because every man is not in favour of this agitation. Of course, if forty-five settlers signed the petition which has been referred to, the majority must rule.

240. Do you not think it is really an agitation for the freehold?—I did not hear of it in Hatuma until to-day. I am not in the Farmers' Union.

241. But people outside the Farmers' Union do not agitate for the freehold?—Not that I know of.

242. Do you not think this agitation for the freehold is a little unfair?—I think it is.

243. *Mr. Paul.*] Why did you not sign that petition?—I was not asked. I never heard of it before to-day.

ROBERT HEWITT FALCONER examined.

244. *The Chairman.*] What are you?—I am a settler on Hatuma, holding 215 acres, for which I pay 6s. 7d. rent. I am well satisfied with my tenure. It is one of the best things you could have for a young man.

245. What do you wish to bring before the Commission?—Nothing, so far as the settlement is concerned, but I wish to refer to another matter. We all got twelve months' rebate of rent, and I came to the conclusion that the best thing I could do was to get an advance from the loans Department and pay the arrears off. I applied for the loan about the end of January, but did not get it until the 1st June. I think they might have managed to let me have it sooner, as I was worried over the matter. I heard that one reason was that Mr. Griffin, the Government valuer, was away at Flaxbourne, and left his work in the hands of another gentleman, who could not find time to do it. Mr. Griffin came round about two months after I had applied for the money, took the particulars in about ten minutes, and then went away. But, still, I had to wait for the money, so that it was from about the end of January till the 1st June before it was settled up.

246. Did you get all the money you wanted?—£5 less; but it was a very small sum. Another matter is that the Hatuma Reserve has never been cut up, and I have been put to a good deal of inconvenience with regard to the roads there. When I bought the section the plan showed that the roads were very convenient to the section, but the Government decided to alter the railway-station, and they had to alter the roads accordingly. I had to ask the present tenant of the reserve to let me get out at the back, otherwise I should have to go round a mile or a mile and a half to get to the siding. What is wanted is a road straight across the siding to join the two main roads, which would be a great convenience to Hatuma. I took up the section with the expectation of getting proper roads, and that matter should be put right.

247. *Mr. Johnston.*] What road is that shown on the plan just to the corner of your section? That is a by-road; the main road has been altered.

248. *Mr. Paul.*] Is the settlement progressing satisfactorily?—As far as I can see, it is. We lost money in the first eighteen months, but we have recovered wonderfully. The sections have paid for themselves.

249. Have there been any sales on the estate?—I understand several people have sold out, but I do not know whether they have sold to advantage or not. I would want to be offered a good sum before I would part with my section at present.

250. Do you think you could sell it and make a fair profit out of it?—I dare say I could, but I have never tried.

JOHN PARSONS examined.

251. *The Chairman.*] What are you?—I am a farmer on Elsthorpe. I hold 485 acres, and pay 4s. 5d. an acre. I was an original settler at the start, nine years ago.

252. Are you satisfied with your tenure?—The lease is right enough in a way, but I would like the right of purchase, not in order to make a freehold of it, because that is out of the ques-

tion, but I would like to have the right, so that I would know I could pay it off some day if I wished.

253. Then, you do not approve of borrowing money in order to finance the freehold?—No.

254. It is a very successful settlement, is it not?—The place is right enough, but, of course, the rents are enough.

255. Are you running sheep there?—Yes, the place is stocked.

256. It has taken the grass very well?—The country is not looking bad.

257. Is there any matter you wish to bring before the Commission in particular?—No. I have not been chairman of any meeting. I am in the Farmers' Union, but I come here on my own account.

258. *Mr. Anstey.*] Do you do any cropping out there?—A little for my own use.

259. Do you find the cropping conditions interfere with you at all?—No. They are very satisfactory, so far as I can see. I think it is only right that after a year or two that country should be put down in grass, to keep the weeds from coming in.

260. Did you get this 10 per cent. rebate of rent?—Yes.

261. I suppose you always paid promptly, and got it?—Yes.

262. Have you had any experience of the Advances to Settlers Office?—No.

263. What are your relations with the Land Board?—They have never worried me; but I really never had anything to do with them.

264. *Mr. Johnston.*] What is the value of your land now?—Something like £3,000.

265. How much do you value it at per acre?—About £6 10s.

266. What is the rent?—4s. 5d. an acre.

267. You want the freehold?—I am in favour of the freehold, or the option of the freehold—not the freehold altogether.

268. If you had the freehold you could sell it better?—I am not wanting to sell it. It is a foolish thing to want to go running all over the country for another place if you are satisfied with your own.

269. When did you get dissatisfied with the tenure?—I am not dissatisfied.

270. You got it for 999 years?—But, still, it means rent to pay as you go on.

271. Four per cent.?—No, it is 5 per cent.

272. Could not you reinvest the money you would devote towards paying off the principal at a better rate than 5 per cent.?—I would sooner have the right of purchase, and pay off so-much every year, and make the rent less.

273. *Mr. Paul.*] What is the carrying-capacity of this land?—I run sheep and cattle. I suppose you could carry two sheep to the acre.

274. All the year round?—It would mean artificial feed to carry well two sheep to the acre.

275. I do not quite understand you. Will it carry two sheep?—Yes.

276. You think if you got the option of the freehold it would be a more valuable tenure?—I cannot go into that question; but, taking the seasons all round, I think that if myself and other settlers had been able to purchase the freehold we could have paid off something every year as we made it.

277. Is the option worth anything?—It would be worth something.

278. What would you give the Crown for the right of the option?—I do not know. I cannot deal with that question.

279. Have there been any sales on Elsthorpe?—Two or three.

280. Did they sell to advantage?—I think they came out fairly well.

JOHN DUNCAN examined.

281. *The Chairman.*] Do you hold any land?—Yes, 509 acres of lease in perpetuity on Elsthorpe. I have been there nine years. I am paying about 5s. 3d., and would be satisfied with the tenure provided I could pay something off the capital value, and so reduce the rent. I do not care whether you called it a freehold or anything else, so long as the rent was reduced so-much at a time, and I had nothing to pay off at the end of twenty years. I have seen so many bad years in New Zealand that even the rents we pay at present could not be got out of the land. It is not an agricultural district, but purely pastoral, and in good years I would like to be able to pay off something, so as to provide against bad years, when it is difficult to meet the rent.

282. Is that a common view amongst the settlers in Elsthorpe?—Yes, it is pretty well a general opinion. We want to have less rent to pay in case times get bad.

283. I have heard that you are very prosperous there?—The settlers were a very good lot, and stuck to the land. There have been two or three transfers, and I think in two cases the people had to go away because they were pretty well run out and could not carry on.

284. *Mr. Anstey.*] Have you had any dealings with the Advances to Settlers Office?—No.

285. Is your treatment by the Land Board satisfactory?—Yes, they are always very courteous.

286. You would not express an opinion on the constitution of the Land Board?—No, provided there are always such men on it as there are now. I do not know you could do better.

287. The cropping conditions do not interfere with you?—No.

288. *Mr. Johnston.*] Do you think the Land for Settlements Act is a good Act for putting people on the land?—Yes, with the one proviso, as to the right of purchase.

289. Did you think at the time you took up the land it was a very good Act?—Yes. I have seen several Acts or provisions with regard to land-tenure that were better. There was one system—the deferred payment—which was rather a better one. I would prefer that, because, taking the colony right through, it suited its conditions very well.

290. Do you think if it was all freehold tenure here it would assist in putting men on the land?—I would not say that. I approve of the present system, but I think it might go a little further, and allow people to reduce their capital value, in order to get over the bad seasons.

291. If you had a sinking fund, so that you could reduce your rent after twenty years, would that be satisfactory?—No; I would like to pay it off a little at a time, and I would not care whether you called it a perpetual lease or not, provided there was no rent to pay. I would like to leave it clear for my widow.

292. And you would be satisfied if there was a fund provided to allow you to do that?—Provided that after I had paid the full amount of the capital value I was not interfered with for the remainder of the 999 years, I say Yes.

293. You would not expect the Government to repudiate that lease, would you?—You never know. We might belong to the Japanese nation by that time.

HENRY THOMAS WRIGHT examined.

294. *The Chairman.*] What are you?—I am a farmer with 188 acres at Hatuma; lease in perpetuity; rent, 5s. 5½d. per acre. I am satisfied with my tenure at present, but it could be improved on if we had the right of purchase.

295. Did you sign that petition we heard so much about?—No.

296. Were you asked to sign it?—No.

297. What is your objection to the present tenure: is it this so-called feeling of insecurity?—I think it would be more secure if we had the right of purchase.

297A. Have you had any dealing with the Land Board? Are they satisfactory?—I suppose they do their duty, but they are a bit sharp sometimes.

298. You do not think there is any need for a change in the constitution of the Land Board?—I think it would be better if they were partly elected to the extent of at least two members.

299. Have you had any dealings with the advances to settlers?—Not here; but in the bush I did. I found them a bit slow.

300. *Mr. Anstey.*] Upon what franchise would you propose to elect the Land Board?—On the same as Mr. Williamson suggested in regard to the County Council franchise. That franchise would give a good representation. It does now in the case of the county.

301. Do you not know that the land district is very much larger than the county district?—Yes.

302. Do you think that the settlers in one part of the land district would be likely to know who another part was voting for?—I think most of the settlers in a radius of thirty miles around would pretty well know who they were voting for.

303. Take the Auckland Land District, which runs from the North Cape to Taranaki: do you think the settlers in that district away up in the north would be likely to know who they were voting for?—Perhaps they would not know the man personally, but they would take the opinion of the majority.

304. How would the settlers know if they were in favour of him or not if they did not know the man?—I suppose he would give his opinion to them through the Press or the post-office.

305. Would not that make it rather expensive to a man to carry on an election campaign on those lines?—I do not think so.

HASTINGS, FRIDAY, 9TH JUNE, 1905.

FRANCES ROSS examined.

1. *The Chairman.*] What are you?—I appear on behalf of my son, John Ross. He holds 11,000 acres under pastoral license. He has held the land for four years. The rent is £80 a year. The holding is in the Mohaka district. We have expended £1,600 in four years in permanent improvements—bushfelling, laying-down the land in English grasses, fencing, sheep-dips, house, &c. There is no postal communication within twenty miles, and we have no roads. There were roads surveyed to our holding, but nothing whatever has been done in the way of making them. The place was not occupied during the period of twenty years before we took it up, except for one term of six months, and the gentleman who took it up surrendered it. There are two runs under the same tenure near us, and they have been surrendered because the holders could not make their way owing to the rabbits. The rabbits are just coming in on us a little, and we are afraid if we do not take great care to check them we will have to surrender, and under our lease we have no compensation.

2. I think you would be allowed £240 compensation?—Yes. We would like to improve the run further, but, having no compensation for improvements, it seems unjust that we should further improve the land. The term of our lease is twenty-one years. We wish the law altered so as to give greater compensation for improvements than is allowed at present, or that we should have the option of a further term, subject to valuation.

3. Is there nothing that could be done in the way of roading?—There are roads laid out, but they have never been made. We have only the roads we have made ourselves. We cannot get a dray up to our place. Everything has to be packed, and there is only a sheep-track, which we have somewhat improved ourselves. If we had the small-grazing-run tenure we would be satisfied, but we hold a pastoral license. The land is not fit for close settlement. It would only pay to hold it in large areas. We have improved its carrying-capacity from six hundred sheep to twenty-five hundred sheep in four years. It would be a great advantage to us if we could avail ourselves of an advance of Government money, but under our present tenure we cannot get an advance, and we would have to pay a higher rate of interest to private lenders, because our only security is our stock, and we would have to mortgage the stock to work the land. If our tenure were a better one we could borrow on the land, and it would be very much cheaper.

4. *Mr. Paul.*] Is there unoccupied Crown land in the vicinity?—No, with the exception of the two surrendered runs at the back of us.

5. If you had the small-grazing-run tenure with right of renewal would you be satisfied?—Quite satisfied.

6. *Mr. Johnston.*] Who had this run before you got it?—It has never been occupied.

7. What class of country is it?—Very low country, fern and manuka country, and patches of bush. The bush country is very good, but I would not say there is above 2,000 acres of good bush country. The balance is very poor.

8. Will it take grass?—In places it will. We burn it in patches and turn sheep on it.

9. After you burn do you sow grass-seed?—No.

10. Have you got danthonia?—Yes; it helps to keep down manuka a good deal. It is not a good grass.

11. You really cannot improve this land?—You cannot improve the very poor land. After it has been burnt two or three times it seems to consolidate and take the grass a little better.

12. Who had the station where the rabbits are coming from?—Mr. Peddle.

13. Did he give it up because it would not pay?—He was summoned a good many times and fined pretty heavily, and it ended in his surrendering.

14. Is it occupied now?—No.

15. Is the Government trying to destroy the rabbits?—Yes, they send up a gang of men to poison them.

16. Where have the rabbits come from?—Over Pohui and down the Mangaheruru Range. They have come through Peddle's, down the range, and into Guthrie Smith's property, and from there on to ours.

17. Are they on Mr. Donnelly's place?—Yes.

18. Are the settlers clearing them?—Yes, I think so. They would naturally do that in their own interest.

19. If you had a right of renewal at an arbitration rent, would you renew?—Yes.

20. You would be satisfied with that?—Yes.

21. *Mr. Anstey.*] What was the length of your lease?—Twenty-one years.

22. Was there anything placed on it for roading?—No.

23. You are paying some rates?—Yes, for a road eight miles away.

24. Has the County Council spent any rates in providing you with road-access?—Not yet.

25. Was it owing to the dilatoriness of the local body that the Government vote was not expended?—Yes. We have now got up a petition to get £100 voted for the purpose, and I think we could get the local body to supplement it by another £100 subsidy.

26. Is there any land in the district suitable to cut up into smaller areas?—It would never pay unless it were cut up into pretty large areas, at the present time, at any rate.

WILLIAM EDWIN GRIFFIN examined.

27. *The Chairman.*] What are you?—I am District Valuer for the Hawke's Bay district, and have occupied that position for five years. In the course of my duties I am brought into contact with a number of settlers, and I think I have a good idea of the views of many of them, at any rate. I think the desire for the freehold—if there be one amongst the settlers—is promoted entirely by fear of revaluation; but, in my opinion, the more thoughtful settlers take the view that this system of cutting up our land for settlement was inaugurated with the idea of enabling people with a small amount of capital to become farmers, and that if the freehold is given that end will be defeated. A man, for instance, who takes up an area of land on the plains here at a high price would become a capitalist if he had the freehold, even though it were subject to an ordinary mortgage. I think the more thoughtful settlers recognise that it would not be fair for them to have this land sold to-day at the capital value upon which their leases were based. I am limiting it entirely to land for settlements at present. I think most of the settlers recognise that it would not be fair that the contract should be broken, and that they should be allowed to acquire the land at the original price when the value has been so largely enhanced. I do not think the leasehold settler, if he were absolutely sure that he was not going to be disturbed in the matter of his rent, would be particularly anxious to get the freehold, because he is simply asking for the privilege of paying land-tax, which he is exempted from at present; but he has a feeling of unrest, because he fears revaluation. Revaluation would on the face of it be very unjust, because many of the original holders have sold out for large sums of money. They sold the increment in the value of their sections for cash to incoming settlers, and it would manifestly be most unjust to revalue them as between themselves and the Crown when they had paid another man a substantial sum of money to go out. The only argument against the leasehold that I can see is that a man has a difficulty in subdividing. A man cannot divide his holding between, say, his two sons, and it is a kind of attempt to return to the law of primogeniture, which, I think, is very much against it. There are many cases in which land was considered a small enough holding—say, 500 acres—ten years ago, and to-day it is capable of being divided into three holdings. A man might in some cases wish to divide his land between three of his children, and at present he cannot do so, and that is an injustice to the settler. It is easily conceivable that a man might have a frontage of a value largely in excess of its farming value, and I cannot see why he should not be allowed to sublet, or even allow the incoming tenant to become the tenant from the Crown. It would be a transfer and a new lease from the Crown. Of course, there would be consideration which he would be entitled to. Another argument against the leasehold—and the only other one that I know—is that a farmer in his days of prosperity has no means of putting his money into his farm, and that is where he ought to put his money, because he knows very little about anything else, and, as a rule, his attempts to find investments are not successful, and I can see no reason why he should not pay off a portion of the capital value of his land and so reduce his rent. At the same time, it would only be fair that, having paid off, say, one-third of the capital value of his land, he should have his rate of interest reduced from 5 per cent. to, say, 4½ per cent. Indeed,

I think I am right in saying that the lease in perpetuity of land other than that taken under the Land for Settlements Act is 4 per cent. One of the objections that presents itself to me to allowing the freehold to be acquired is that I think it would be immediately followed by a rise in the rate of interest, which is the very worst thing that could happen to the farming community, and it would lead, of course, to a large crop of private mortgages; but at the present time, when prices are good and values are high, the settlers could, no doubt, obtain very large loans on their freeholds. If times became bad again, I think we would have a very great chance of seeing the aggregation of large estates again. The mortgagees would foreclose, and some one would come along and buy the property, and thus large estates would be formed, or the purchaser would hold it and sell again at better times. At any rate, I think that the intention to allow a man with small capital to become a farmer would be defeated, because these holdings would then become the property of the enterprising capitalists, instead of the enterprising man with small means. Now, as to cropping restrictions, I think they operate unfairly, because it is not sensible that the same cropping restrictions should be imposed upon all the different kinds of land. There is plenty of land in Hawke's Bay here that might grow white crop after white crop for many years without it materially affecting the land, and there is a lot of other land here that is seriously damaged by taking two consecutive white crops off it, which is now allowed by the law, and it will take years to recover after the second white crop. It must be apparent to anybody that what would be an excellent restriction in one case would be absurd in another. I think the restrictions as to cropping should be made specially for each lease.

28. Then, you think that the farmer would be very much privileged in good times if he had the opportunity of banking his money in his own farm?—Yes.

29. And paying off one-third, and then he might have his interest reduced from 5 per cent. to 4 or $4\frac{1}{2}$ per cent.?—Yes.

30. You think if the freehold was given one result would be an increase in the rate of interest, on the assumption that the settlers would all go to the money-lender to find money?—Yes.

31. That could be obviated by allowing them to only pay off the money in instalments, leaving them still mortgaged to the Crown?—Yes.

32. With regard to the cropping restrictions, the present regulations are very moderate—two white crops and one green crop?—That is sufficient to materially damage the land in some cases. There are cases in which it damages the land, and there is land which you might go on cropping for ten years and not injure it.

33. We have had a good deal of evidence on that point, and it has been suggested that the Land Board should be allowed discretion in these matters?—Yes, I think that ought to be, and to restrict further if necessary.

34. *Mr. Paul.*] Do you think if settlers were allowed to pay off at intervals that would have an effect on the money-market? Do you think the effect of these payments being extended over a certain period will remove your objection?—I think when a man wanted assistance in his finance he would have to take his mortgage away from the Government and give it to somebody else. I presume he would not be given the freehold until he had paid off a substantial sum. I am perfectly sure they would ultimately drift to the money-lender.

35. At what intervals do you value land in the Hawke's Bay District?—There are no special intervals. There are none by Act anywhere in the colony. Districts are valued as it becomes necessary.

36. Has there been a general increase in the value of land in this district?—Yes, a material increase. It has varied according to the quality of the land; but I should say in the case of some land it has been 30 per cent., and possibly 35 per cent.

37. What would be the general average increase over the whole provincial district?—Some of the poorer land has not very much increased in value, because it does not produce very much.

38. Do you value for the Advances to Settlers Department?—Yes.

39. Do you know of any cases where the office has given preference to occupation-with-right-of-purchase land as against lease-in-perpetuity land?—No.

40. Evidence has been given that the Department frequently discriminates in favour of occupation with right of purchase as against lease in perpetuity?—That is absolutely unheard of here. As far as the tenure is concerned, it does not make any difference at all.

41. Can you see why there should be any difference in the case of lease in perpetuity? The Crown owns the land: do you think there is any reason why the Department should discriminate?—I cannot see any reason; at any rate, I have never discriminated. Provided the margin is there, the settler can get his money, and if the margin is not there he cannot get it.

42. Has any complaint been made to you as to delays in granting of loans?—No.

43. A case was mentioned to the Commission yesterday where a man applied for a loan at the end of January and did not get it till June?—I cannot imagine such a case. Can you give the name?

44. *Mr. Falconer.*?—I know how that arose. He is a Hatuma settler, and I had to go to Blenheim, and it was handed over to some one else, and thus delay occurred. I do not know of any other complaint. It must be apparent to every settler that the District Valuer is not ubiquitous and cannot be in two places at once. Delay is inseparable from any lending department that requires the valuer to travel over a large area of country.

45. I can see the difficulty, but, of course, you can see that the settler when he finds he wants money must have it?—I find that settlers never put in applications for their money until they actually want it. If they were wise men they would send in their application, say, a month in advance.

46. But in many cases settlers want to buy stock when the market is suitable?—That is the very reason why they should not delay sending in the application, because when the application is granted the settler can take up the money when he likes, or he can leave it for two months before he lifts it.

47. You know of no unnecessary delay in granting loans?—Absolutely none.

48. *Mr. Johnston.*] Have the Hatuma, Forest Gate, and Lindsay Settlements increased materially in value?—Lindsay has not increased at all. It has not had time.

49. What about the older settlements?—Forest Gate Settlement is getting about level now. There is not much margin; there is a little.

50. Was Forest Gate not worth the money?—I do not think so

51. Was Hatuma?—I think Hatuma was about right.

52. Have transfers at Hatuma been made at an advance?—Yes, in some cases.

53. Do you think the incoming tenant has paid too much?—I think probably they have paid a fair price for the sections they have bought.

54. You say that some lessees want the freehold on account of fear of interference with their leases. Would the granting of the freehold benefit the production from the soil to any extent?—Not in the least degree.

55. Is the desire for the freehold due to the cause you mention, or is it because the settlers think they can make a better bargain by land that they can sell?—I do not think they could. There is a tremendous number of men of small means who are in a position to buy a leasehold at a fair price, but if it were freehold it would be out of their reach. They could sell more readily as leaseholders, I think; but it would require a man of decent capital to buy one of these holdings now, because they are not all very small holdings. They run up to 600 and 700 acres, and even more.

56. Have the settlers generally done well?—Yes.

57. Are the improvements made, as a rule, substantial and satisfactory?—Yes.

58. Are they as good on leasehold as freehold?—Yes. These people are all of small means, and they often build small houses, but they are nearly always good houses.

59. You say you value for the Advances to Settlers Department. Do you approve of a settler getting an advance on his interest, including the enhanced value of his property, as well as his improvements?—My personal opinion is that I am not in favour of it, because it is so easy for our margin to disappear altogether.

60. You do not think it is in the interests of the State to advance only to a fair margin on improvements?—My own personal opinion is what I have stated.

61. Do the Crown tenants treat their land in the same way as freeholders would?—Yes; but, of course, there is just a chance of a man coming along who would be capable of cropping the life out of the land and then leaving it.

62. Have you heard of that being done?—I have had no experience of it being done, but I have heard of a case in another part of the colony.

63. Have you visited the land-for-settlements lands in the south?—I have seen the Marlborough settlements, but not those in Canterbury. What I saw in Marlborough led me to think that they were good farmers.

64. You referred to the classification of lands: how would you classify land in the Hawke's Bay district?—I would classify them as first-, second-, and third-class pastoral land, and first-, second-, and third-class agricultural land. I have not thought the matter out, but I should say that that is the way I should set about doing it.

65. Have you visited this property of Mrs. Ross's?—I have been on it.

66. What would you class that as?—I should say it is third-class pastoral land, or fourth-class, if there was one.

67. Bush land of a capital value of over £1 an acre is classed as first-class land, and these flats here are classed as first-class land: is not that ridiculous?—Of course, it is.

68. Would you give lease-in-perpetuity tenants facilities for obtaining money at a lower rate of interest than at present?—They can borrow at $4\frac{1}{2}$ per cent. through the Advances to Settlers Department, and that is the cheapest money in the colony.

69. We have it in evidence that lease-in-perpetuity holders cannot get money under 8 per cent. in certain districts, and in this Island the evidence shows that the interest charged them is 8 per cent. and upwards. How can the tenant obtain his money at $4\frac{1}{2}$ per cent.?—He can borrow up to half of his improvements at $4\frac{1}{2}$ per cent.

70. Have you ever known a tenant to be refused an advance when he only asked for an amount equal to half the value of his improvements?—No. Of course, if it were an undesirable person, it might happen that he would not get the money, but if he is reliable he would get it.

71. You think that the Advances to Settlers Department have given the money where advisable up to the full extent without any trouble?—That is so. Of course, there is often a difference between the tenant's idea and the valuer's estimate of the value of the improvements.

72. Have you known any settler to damage his land by taking two white crops in succession off it?—I have known it result in detriment to the country.

73. They do not put back to the land by way of manures what the crop takes out of it?—I do not think so. The land I am referring to cannot be cropped twice in succession without injury resulting.

74. *Mr. Anstey.*] Do you think the land is permanently damaged by two crops?—It would take some time to recover.

75. Do you think it would be all right with a green crop in between?—I think so.

76. Would there be any objection to a man taking off as many green crops as he chooses?—No.

77. You think that in regard to poor land there should be a regulation that not more than one straw-crop must be taken off, with as many green crops as the tenant likes?—Yes. They would soon give it up when the land became foul. It would rectify itself.

78. Is it not a fact that these farms now are supposed to be cut into as small areas as is profitable for occupation?—Yes; but it is conceivable that as time goes on and settlement progresses smaller holdings could be used.

79. Would it not be time enough to alter that regulation when it becomes necessary?—That is the argument against it.

80. There would be no difficulty in allowing the Land Board to have the right to make a concession in regard to the dividing of a holding on the death of a tenant?—No; but the law does not allow them.

81. What difficulty would there be in the way of allowing a man to bank his money with the Government instead of in his land, as you suggest?—That is what he would do, by reducing the capital value of his farm.

82. He acquires the freehold?—No. That is what I say he should not do. He can pay off half the capital value, and so reduce his rent by a half.

83. Would it not be simpler to allow him to pay the money into a Government fund, and draw the interest regularly from it?—To do that would allow him to be in the position that he might draw it out at some time and lose it. He should be allowed to permanently reduce the rent of his home.

84. Supposing he wanted help?—If times came so bad that he could not afford to pay the reduced rental it would indeed be a bad look out. I do not want to face that position.

85. Supposing he wanted to extend his holding, or to put his son on to a farm, he would have his money locked up, whereas if it were in a fund it would be available?—I am wanting to protect the farmer.

86. Is there any difficulty in his investing his savings now?—Any amount.

87. Could not those difficulties be easily got over by the Government establishing the form of investment?—Yes; but they might offer a rate of interest that would not tempt him.

88. You said just now that the value of grazing land had not gone up because the price of sheep had gone up to such a high price?—I was referring to grazing land, not breeding land, and I say a man cannot afford to pay the same rent to-day as he could ten years ago. The products of a sheep are not worth more to-day than they were worth ten years ago, but the price of sheep has risen very considerably; therefore I say that ten years ago a man who could buy wethers at 18s., and got the same price for his wool as he gets now, he could afford to pay a higher price for his land than he can now, when he has to pay a much higher price for his sheep.

89. *Mr. McCutchan.*] In making valuations do you value at the market selling-value?—Yes.

90. Do you have any difficulty in separating the unimproved from the total value?—Not the slightest.

91. Supposing you were to leave the district, and another valuer was to come in who did not know the history of some of those back-country sections, do you think it would be possible for that valuer to properly estimate the value of the work done?—Yes; the duty of the valuer is to value what he can see.

92. You admit, then, that what is not seen is not valued?—Yes.

93. Does not the settler suffer?—No. You value the felling of the bush and the grassing of the land according to what you think it would take to do. You cannot go into the ancient history of the land, because in twenty years' time the probabilities are that there will be no one who would know anything about it.

94. Is it not possible for a man to lose the value of his stumping?—No; I do not know of a single instance.

95. If I take up bush country and put it in grass, will you allow me anything beyond the bushfelling and grassing?—I will allow you for stumping.

96. Can you estimate it?—I think it is quite possible for a man to spend £8 in stumping land the year after he has felled it, instead of waiting for a few years, when it would have cost a very much less sum.

97. Supposing he waits ten years, it is not possible for him still to spend £8 in stumping?—No.

98. Is not the tendency of the valuer to put up unimproved values?—I do not know about other valuers, but it is not my tendency.

99. You stated that the desire for freehold was prompted by a fear of revaluation?—Yes.

100. Is it a fear on the part of the settler that the Government will revalue?—It is a sort of bugbear to them that some one will come along with a Fair Rent Bill and put up their rent.

101. Do you think the Government would do so?—No, I do not; but, unfortunately, the settler is afraid. It seems to me to be a monstrously unjust thing to do.

102. You spoke of the difficulty of the division of land by will: do you think a tenant's will should be subject to revision by any officer of the Crown?—Certainly not.

103. You said that if the freehold was given it would lead to an increase in the rate of interest, and the aggregation of estates again: do you think that under the Land for Settlements Act these settlers are doing fairly well?—Yes.

104. What would you define by that?—Paying their rent, living comfortably, and, I hope, laying by a little money.

105. If that is the condition of things, allowing him to pay off the capital value of the land out of the money he is laying by from year to year would not cause an increase of interest?—No.

106. If the position were safeguarded in that direction, do you think there would be any danger of the aggregation of estates again?—I think immediately you part with the freehold you run that risk.

107. It would not come from the mortgage company if it was a condition that they were only to acquire the freehold out of their savings; the State would safeguard that by forbidding the registration of mortgages?—I do not see how the State can trace the source of a man's money.

108. They say that no mortgage was to be registered against the property?—Then you would make his financing exceedingly difficult.

109. You say many are saving money, and, clearly, then, it is possible for them to acquire the freehold out of their savings?—In the course of time, if times continue good.

110. And if you had a limit as to the area to be held by any settler in the colony, you would have a sure safeguard against the reaggregation of estates?—That is so, but you would limit the field in which the holder of the freeholder could borrow. If you limit the area a man can hold, he is restricted should he require to sell in his purchasers, because a person could only buy who would not have more than the fixed area by purchasing. Immediately you do that, you give the money-lender an opportunity of asking for an extra rate of interest, because the value of the security is reduced.

111. You stated that, generally speaking, there was an increase of 30 per cent. in land-values over the district: to what is that due?—To increased price of produce and increased settlements largely.

112. Was it due to the establishment of dairy factories?—To some extent, but dairying land in Hawke's Bay is limited.

113. You said that there was no discrimination made by the Advances to Settlers Department between occupation-with-right-of-purchase and lease-in-perpetuity securities?—That is so.

114. Is it an instruction to valuers now to make advances on goodwill as well as on improvements?—In all cases.

115. Is not the goodwill of the occupation with right of purchase worth more on the market to-day than the goodwill of lease in perpetuity?—I can see no difference.

116. How is it that there is such a run on occupation-with-right-of-purchase sections—we are talking of waste lands, of course—and lease-in-perpetuity sections are at a discount when you come to sell?—I learn to-day for the first time that that is so.

117. You are not aware of any distinction in the market-value of the two securities?—No. One man gets his money at 4 per cent. and the other at 5 per cent., which is a compensating influence in the matter.

118. Do you know of any case where the Advances to Settlers Department have refused to lend up to 50 per cent. of the improvements?—No.

119. Is it within your knowledge that 50 per cent. of the improvements are advanced by the Department?—I could not help knowing. I advise the loan, and the amount lent is reported to me.

120. In all cases it is 50 per cent. of your valuation?—Unless there is some extraneous matter that operates against the security.

121. Do you think there should be any discrimination as to the amount lent in connection with the purposes for which the money is borrowed? You quoted a case in which a man put up a house worth £200, and got an advance of £100 on that house: do you think there should be a discretion made between such a man and a man who borrows for reproductive purposes?—I do not know that I would. £200 is not an extravagant amount to spend on a house. We did not give him the money to build the house, but he got it after he had built.

122. Take the case of men on adjoining sections. They each have improvements worth £500. One wants £250 to pay off the improvements on the place, and the other wants £250 to make further improvements. When that man makes those improvements they are worth £750. Do you not think it is advisable, therefore, for the State to make a large advance in cases of that kind?—I would first want to see what he did with the £250.

123. Do you not think that is a fault with the Department, inasmuch as there is no supervision exercised in the expenditure of the money?—Pardon me, supervision is exercised. We do not pay anything until the settler has something to show for it.

124. I think you are in error there. If I have five hundred pounds' worth of improvements, and I borrow £250 for further improvements, no supervision is exercised over the expenditure?—That is so.

125. Do you not think that is a weakness of the Department's position?—No. I think it would be an act of inquisitiveness which would be resented for the Department to claim the supervision over the expenditure of a loan advanced on adequate security.

126. Where a man has improvements worth £500 and he wants £250 to make further improvements, you stated that you thought he was entitled to a larger advance than another man who had the same amount of improvements, but wanted the money for improvements already made?—No; but immediately the first man has expended his £250 he can come along and get another £125.

127. That multiplies expenses?—He only pays a guinea. There is nothing heavy about that.

128. Then there are legal expenses as well?—They are very small. You cannot obviate that. I do not see how anything could be done in that way.

129. You said that money was advanced on the lease in perpetuity at the lowest rate of interest in the colony: is it not a fact that the interest is really 6 per cent., that is, 5 per cent. for interest on the money loaned, and 1 per cent. sinking fund, but there is a rebate of $\frac{1}{2}$ per cent. for prompt payment?—That is so.

130. We have had a series of evidence that advances have been refused to the leaseholders who have had to go to private money-lenders to get their money, and the Commissioners of Crown Lands of the colony, or, at least, the Land Boards, have to give their sanction to the mortgages, and the rates of interest went as high as 10 per cent., until the Minister was forced to issue an instruction that no mortgages should be registered where the rate of interest exceeded 8 per cent. Had you any evidence of that in Hawke's Bay?—I can quite imagine that it was so. People go on to those sections without any money at all. They have to go to a merchant to buy their stock for them and finance them for their fencing, and to see them through. 10 per cent. seems exorbitant, but a man in that position could not expect to get the money for less, because he has got no margin on anything.

131. *Mr. Johnston.*] Is there any Californian thistle in Hawke's Bay?—There is a lot of it about.

132. Is any attempt being made to eradicate it?—They have an Inspector who makes the people cut it.

133. Do you find it increasing on the Crown lands?—I do not know that it is increasing on Crown lands.

134. Have you got an instruction in making valuations of bush sections to only allow a certain amount for bushfelling, irrespective of what it cost?—I have never received an instruction as to what value I put on anything since I have been in the Department, nor have I received a suggestion.

135. We have had sworn evidence in Hawke's Bay that the valuers are only permitted to allow a certain fixed amount for bushfelling, and fencing, and grassing?—You never got that statement from any one connected with the Department.

136. We have had evidence from settlers?—It is a fancy of their brains. No such suggestion has been made. It is left to the valuer to value at what he thinks a thing is worth.

137. *Mr. Anstey.*] We have had several complaints lately that lease-in-perpetuity settlers are unable to sell out their interests. You just told us they could sell out their interests as well as the occupation with right of purchase: have any instances of farms under these tenures come under your notice?—A tremendous number of sales have taken place, but I have never noticed any marked difference.

138. Can people borrow under the lease in perpetuity as easily as under the occupation with right of purchase?—With us, certainly they can. We make no difference.

139. You can give no idea what private lenders think?—I can quite imagine that where the tenants' interests largely exceeds the Crown's interest they could better deal with the occupation with right of purchase.

140. *Mr. Paul.*] Is it a fact that no schedule rates have been issued by the Department, giving the amounts to be allowed for bushfelling?—I have heard for the first time to-day that that is so. I learn it with very great surprise.

141. If such a thing was in circulation you, as a valuer, would have it?—I should think so.

142. In valuing land, do you go over the land in company with the owner?—Sometimes. If he is not there I will go over the land without him. I cannot wait for the owner to turn up.

143. You know that the Act stipulates that the sanction of the Minister must be given as a formality to any will made interfering with the property?—I do not like the sound of it. If a man has a large stake in a section, it seems very hard that the disposal of his property should be interfered with.

144. Supposing a man made a ridiculous subdivision, do you think that the Minister should allow it and not try to adjust it on common-sense grounds?—I think it becomes absolutely essential that it should be so divided to conserve everybody's interest, including the Crown's. Where the interests of the Crown are not in jeopardy the Crown has no right to say anything about it at all.

145. Can any sensible man conceive of the Minister interfering unnecessarily in such a case?—No, I cannot.

ROBERT WELLWOOD examined.

146. *The Chairman.*] What are you?—I am a settler, holding 142 acres in Raureka, under the lease in perpetuity. I have held the land about ten years. It is in two sections, on one of which I pay £118 15s. per annum rent, and on the other £39 15s. It is situated about three miles from here; 50 to 60 acres is shingly, and the rest is rich alluvial land. I have the old homestead. I am satisfied with the tenure.

147. Is there any particular thing you wish to bring before the Commission?—As far as the Land Board of Hawke's Bay is concerned, I do not think the settlers have anything to complain about. We have always been well treated, and all our applications have been met with consideration, and granted to the utmost that lies in the Board's power. I would like, however, to see the various parts of the district considered in making appointments to the Land Board. The land district is a very large one, and, whilst the affairs are very well administered by the Board, I think settlers would feel better pleased if the northern part of the district was represented. At present all the members reside in the southern part, and I am not sure if one does not reside outside. I do not think, however, that there is any particular feeling on the part of settlers in the matter. I think it is quite right that the members of the Land Board should be nominated by the Government. I am in favour of the optional system of land-tenure. I am a member of the Farmers' Union, and I think I can speak for nearly all our members, that they are of the same opinion. At the same time, I do not oppose the lease in perpetuity, which I look upon as one of the most liberal forms of land-tenure ever introduced in any part of the world—in fact, it is thought by some that it is ultra-liberal, and I am not prepared to argue against that. At the same time, I think it is inherent in all our natures to possess something that we can call our own. If you give a boy of twelve a pony and tell him it is his own property, he will take a great deal more care of it than if you tell him he has got the loan of it. We cannot get over the fact of human nature. It is in us. I could take the members of the Land Commission around here and show you the difference between land held as leasehold and freehold. There are ever so many small places here that are owned by tradespeople and others in employment, and they are all well kept and have tidy flower and vegetable gardens, and there is a distinct difference between the way in which they are kept and those that are held under lease. What applies to Hastings applies to every town in New Zealand. Whilst it is true that the artisans in the towns take a great deal of care of the interest in their freehold, it is they who are opposing the farmers in the matter of the freehold. They are agitating that no one should be granted the freehold, and that all land should be nationalised. I am not a learned man, but I think that history teaches us that the nation that has no freeholders, but all leaseholders, deteriorates both physically and morally, and I am positive that were New Zealand all leaseholders we would be a generation of dwarfs, both physically and morally. But give every man the freehold and we will have the makings of a

nation, and our sons and daughters will grow into men and women and not be warped physically and morally. Where a man has a little money he should have the opportunity of putting that into his land. I do not think that the mode proposed by Mr. Griffin would meet the case. I think that the man who has money lying to his credit in the bank ought to be able to put that money into his land and make it his freehold, but I do not like the milk-and-water arrangement proposed by Mr. Griffin. By that arrangement a man would have his money sunk in his land which he could never call his own. It has been said that if the freehold was given it would demoralise the money-market of the colony, but I do not think that that would be so. If the freehold was conceded to-morrow I do not think that 10 per cent. of the leaseholders would avail themselves of it. If I could get the money with which to acquire my freehold, I would rather remain as I am. If I had a certain portion I might borrow a little more so as to be on the safe side. I believe, however, that about 10 per cent. of them would avail themselves of the opportunity to purchase, and in this way a little more money might be put into the coffers of the Treasury for the first month or two, but I do not think it would upset financial arrangements. After that, new leaseholders would come in and counterbalance things. With regard to residence conditions, I do not know that there is any trouble about here. The Land Board has a discretionary power which they exercise liberally.

148. Is there any restriction, such as cropping, for instance, which acts injuriously to the tenants?—Not around here. We have never been interfered with. Although we are allowed a free hand almost we do not abuse the trust.

149. Do you grow much grain?—No.

150. You go in mostly for green crops?—Green crops and sheep.

151. Do you dairy?—No.

152. Have you anything to say about the ballot system?—I remember that when the auction system was in vogue the Press of the colony was crying out against it, and, no doubt, it has its evil effects. We all know that at auction sales there is a danger of being carried away for the moment and bidding more than a thing is worth, and that is so especially in the case of land, particularly where there is competition. I think of two evils the present system is the lesser. There can be no perfect system.

153. Have you any knowledge of the Advances to Settlers Department?—Some years ago I applied for a loan, but there was such a lot of bother over it that I did not pursue the matter. I had to pay more to a private individual, but I got the money.

154. Is there any aggregation of estates going on in this district?—No, and I do not think it need be dreaded at all. The only danger there will be of aggregation of estates will be in poor country.

155. The Government gave £26 per acre for the land you are on?—Yes.

156. Was it cheap?—It was bad times when it was cut up. It could not be got for that price now. Land has been increased in value by the increased price of produce. If produce goes down the value of land will go down. Mr. Griffin said that if the freehold was conceded it was unjust that it should be at the original value. For the life of me I cannot follow him. The enhanced value of that section is caused by the increased price of produce. Take the case of two brothers, each of whom has £2,000 at his disposal. One prefers to have the freehold and the other goes in for the leasehold. After working the land for a while they both decide to sell, and the freeholder gets his money, but the unfortunate leaseholder is told that he has to undergo revaluation. The thing should be logical, and if there is to be unearned increment in one case there should be in the other also.

157. *Mr. Paul.*] Is your settlement prosperous?—Yes. The potatoes have failed through floods in some instances, but otherwise it is prosperous.

158. You say you have no objection to the lease in perpetuity?—Not a bit.

159. You can farm the land to advantage under its conditions?—Yes.

160. You spoke of a boy and a pony: suppose you gave that boy the pony and told him it was his as long as he liked, what would he think about it?—He would think a lot of it.

161. Supposing you told him he could have the loan of it as long as he lived?—He would not think so much of it.

162. Do you think that a leaseholder will not farm his land as well as a freeholder will?—I think there is more made of that than there is anything in it. I farm my land just as well as if I had the freehold.

163. Do your brother leaseholders do likewise?—There are exceptions. At the same time, there is that feeling about having what is your own that a man would do things with a freehold that he would not do with a leasehold.

164. Did you understand my previous question? I asked you if your brother leaseholders farmed well?—They do, but they do not perhaps take the same interest in the land as they would if it were a freehold.

165. There are exceptions to the rule?—They do not all farm well.

166. Is it not to their advantage to take as much interest?—It is.

167. Why do they not?—There it is; it is human nature again.

168. You think the leaseholder, as a man, is morally and physically inferior to a freeholder?—I believe that that would be the tendency if it went on in perpetuity. I feel that it would have the tendency in generations to come to lower the standard of the farming community. It is so in all parts of the world. Look at Russia.

169. We cannot compare that nation with ours?—Well, look at my native land, Ireland. I remember as a boy the curse of landlords there. I have seen the unfortunate tenants in bad seasons going down on their bended knees to their landlords trying to get some concessions in their rents.

170. In a freehold country?—It is not a freehold country. And look at the state the population are in now.

171. Was it not a freehold country then?—Certainly not. It was a freehold held by large landowners, who let their land to private tenants on lease. It was land held by private individuals and leased to farmers, and what has caused all the trouble? The landlordism; and if you make all the farmers in New Zealand tenants of the Government, God help the Government in future generations when bad times come.

172. Is there any comparison between a tenant in New Zealand under the Government and a tenant in Ireland under private landlords? Which would you prefer to be?—I would prefer to be here under the Government, but I believe in Ireland it is better now than it was.

173. You say that only 10 per cent. of the leaseholders could acquire the option if it was given them?—That is my estimate from local experience.

174. Do you think the rest of those men will be morally and physically inferior to the 10 per cent. who acquire the freehold?—We might not notice it in our time, but if it were perpetuated it certainly would be so. That is shown by history all over the world. If you have a freehold community who own their land they live up to a high standard, then it is only human nature that they should grow up physically and morally a superior race.

175. If all these things are true, why have you no objection to the lease in perpetuity?—Because I cannot have anything else.

176. *Mr. Johnston.*] Have you ever visited the Hatuma Settlement?—I have not been through it except by rail since it was cut up. Of course, I knew it before it was cut up.

177. You remarked that you thought the Government paid rather too much for it?—I reckon they paid too much.

178. Are you sure they paid too much?—Under present circumstances it is all right, but should depression come then those settlers will not be able to pay that rent.

179. I wish you to answer me, Yes or No. Do you think they paid too much for it?—Yes.

180. Do you not think that if all the large estates here had been leased in the first case, instead of being made freeholds—suppose they had been leased for forty years—and the leases were falling in now, it would not have been a great advantage to the country?—Certainly.

181. It would have been better than a freehold?—Certainly.

182. Then it was a mistake that these lands were ever made freehold?—No, it was not a mistake.

183. Would it have been better if they had been kept as leaseholds, and were cut up now for close settlement?—I cannot say that.

ARCHIBALD LOW examined.

184. *The Chairman.*] What are you?—I farm a section held by my mother, who is a widow, at Mahora. It is 26 acres of lease in perpetuity, and I pay £20 16s. 11d. rent half-yearly.

185. Is that a satisfactory lease?—Yes, and the land is well worth the money. I have been there about six years.

186. What use do you put the land to?—Practically dairying. At present we can run fourteen cows, but we have grown cereals as well. We have grown 2 acres of potatoes each year for outside sale, and half an acre of fruit, but that is not for sale. We have never been flooded.

187. Is there any particular matter you wish to bring before the Commission?—No, only to say we were satisfied.

188. I hope that is pretty well the opinion of your neighbours?—I do not see any of them here, so I presume they are satisfied. They generally "sing out" if they are not satisfied.

189. *Mr. Williams* is carrying on a great fruit-growing business there: is any one copying his example?—Yes.

190. And do they take the fruit to his canning factory?—There are two men, but both sell privately.

191. Do they send it along the line?—Yes, wherever they can sell it to the best advantage. *Mr. Mosen*, of Tomoana Settlement, has had a very successful year. He sends his fruit pretty well all over the place. He has 5 acres.

192. *Mr. Paul.*] To your knowledge, are the settlers doing fairly satisfactorily?—Yes, as far as can be judged.

193. *Mr. Johnston.*] Did you as a Crown tenant ask the Farmers' Union to petition the Commission for the right of purchase?—No. We are connected with the Farmers' Union.

194. Did many of the settlers ask *Mr. Wellwood* to appear for them?—I could not say. I had no conversation with any of the settlers on the matter.

195. You are quite content?—Yes, the only trouble is what *Mr. Griffin* called the unfounded fear of revaluation. There is a positive uneasiness over that.

196. But if your lease remains as at present you are perfectly satisfied, provided it is not interfered with?—No.

197. You do not think the Government would repudiate their agreement with the settlers?—That is what I should think. If they did so it would amount to a breach of contract.

198. *Mr. Anstey.*] Are your relations with the Land Board satisfactory?—Absolutely.

199. Have you any cropping restrictions with respect to these small areas?—I think we are subject to two white-crop restrictions.

200. Is it one of the conditions that you must grass down after having two crops?—I cannot say I have read the conditions, but I suppose we have not infringed them, otherwise we should have heard.

201. I presume those conditions would not be suitable for small areas? You cannot keep it unploughed longer than two years?—We do not, because we dairy; but it is quite possible they would press that in case we wanted to raise white crops.

202. Have you had any experience of the Advances to Settlers Department?—Yes; it was quite satisfactory. My father, who is dead now, drew money from them, and said that is was the cheapest money and the cheapest obtained he ever had in his life.

203. And the legal expenses were the lowest?—Yes, absolutely the lowest.
204. And there was no delay in getting the money?—Practically none. It was got when it was wanted.
205. *Mr. McCutchan.*] You consider your rent a fair one?—Yes.
206. How many years ago it is since you took up the section?—About six.
207. Had you any difficulty in making headway at the start?—Yes.
208. It is the good times which have made the rental fair?—The difficulty I spoke of was the want of finance to start with—insufficient capital.
209. Did you get a rebate of rent?—Yes, on rent promptly paid within one month.
210. What is the amount of rebate?—10 per cent.
211. Did you get the full 10 per cent?—We paid a little under £20 half-yearly.
212. If your rent is fair and reasonable, why do you take the rebate?—For the same reason that a boy would take an apple.
213. You had your lease under certain conditions originally?—Yes.
214. And those conditions were fixed by Act of Parliament, were they not?—Yes.
215. If a very radical change is brought about so that fresh legislation is to be brought in, would you consider it an interference with the terms of your lease?—Not a vital interference.
216. Do you think a change that cannot be brought about without fresh legislation is not a vital change from the terms of your lease?—That is a question I have not thought of.
217. There are certain Crown tenants who have refused to take this rebate of rent, believing that it is an interference with the terms of their agreement with the Government. They have done that in order to protect their position: do you think that they are acting wisely?—Yes, if that rebate suggests a breach of the agreement.
218. What is the object of the rebate?—To relieve any tenants that are excessively rented.
219. Were you injuriously treated with regard to your rental?—No.
220. Therefore, you had no claim for rebate?—No.
221. And you are taking a thing you had no claim to?—Yes, that is right enough; but I think it is simply a matter of ignorance if you put it in that way. But the rental notice comes along with a note that if it was paid within a certain time there would be a rebate.
222. Would you look upon it as a discount?—Yes, it practically is.
223. If it is a discount under the Act for the benefit of the whole of the tenants, why does one Board give a discount of 5 per cent, another 8 per cent., and another of 10 per cent.? Could you consider it a discount when there is a discrimination in that way?—No.
224. Do you think the people who are agitating for a revaluation are justified in doing so, inasmuch as the tenants themselves have practically brought about a revaluation by accepting a reduction of their rental?—No, not altogether.

THOMAS STEPHEN PERCIVAL examined.

225. *The Chairman.*] Have you any land?—I have Sections 6 and 7, Mahora, consisting of about 77 acres, under lease in perpetuity. I pay about £114 a year. I am an original settler. Section 6 was my wife's, and I hold that under will. Section 7 I drew myself.
226. Is this lease satisfactory to you?—I would like it better if I had the option of purchase. If we had the option, it would give men some encouragement, and I would like the option under a similar system to the deferred-payment system, so that a settler could pay off so-much by instalments, instead of making an absolute freehold of his place at once. It would be an investment for a farmer, and if he met with bad times he could get his rent capitalised again, and continue paying it on the reduced capital value. It would come out of his savings.
227. I suppose you are quite satisfied with the land?—Perfectly, and with the lease in perpetuity, because at that time I could not have taken the freehold.
228. Do you dairy?—No; graze and crop.
229. Do you grow white crops?—I had 11 acres of oats this year, and they are doing very well; but, as a rule, the white crop is not a success. The land is too strong.
230. How many sheep have you?—About 650 sheep, four cows, and three or four horses.
231. According to that, you are carrying about eight sheep to the acre?—Yes; but I have grown 2 acres of mangolds, and I cut 40 acres for grass-seed, and 6 acres for hay.
232. Is your drainage fairly good?—Fairly good—better than some of the sections. It was not drained before I got it. There were a few hollows that the drain did not serve, but I ploughed them up and raised the bottoms, and now the drainage is fairly good.
233. You are quite free of the Ngaruroro?—No, it is right up to Section 7, and two years ago I got the flood.
234. *Mr. Paul.*] Are the settlers doing well?—I think so.
235. Is there anything in the conditions of your lease which prevents your using the land to advantage?—No.
236. Could you do much better with it if given a free hand?—As far as the cropping goes, we have a free hand enough, because we can grow one paddock in green crop so long as we feel inclined; but it is not advisable to go on too long with that, because the ground gets full of weeds and becomes too foul. Therefore, it is a great advantage to put it in grass for two or three years so as to allow the weeds to die out.
237. There is nothing in the lease which interferes with you?—I think not.
238. Would it be a more valuable tenure if you had the option?—I think so.
239. It would be worth more?—It would not be worth any more to me, but it would be an investment when I had any surplus cash at any time.
240. Do you not think it would be worth any more?—I do not see why it should be. It would grow no more grass or fatten any more sheep if it were freehold.

241. You think the lease in perpetuity is worth as much as the occupation with right of purchase?—If a man wanted to sell he might get more money for the right of purchase than he would for it as lease in perpetuity.

242. Would not that be worth something?—It might be if a man wanted to sell.

243. Do you think those tenants who want the option should offer to pay something for the increased value?—I do not see why they should, as it is through their energy that the thing has been made a success. When we went down to Mahora we were told that we would be starved out, and I think we are entitled to some consideration for having the pluck to take it up.

244. The tenants took up the land under a certain tenure, and now they want the option in addition: is it not fair to ask that they should be prepared to pay something for it, or whether they want it for nothing?—I do not see why they should be asked to pay for what they have already earned.

245. They have the option of it now?—No. It does not give us very much more than an investment for our money, and I would like to make it easier for them.

246. Do you think the lease in perpetuity is as valuable as the occupation with right of purchase?—No, I do not think it is; but with the occupation with right of purchase a man is likely to make his place his own.

247. Under the Land Act of 1892, a man who takes up the lease in perpetuity pays 4 per cent. on the capital value, but under the occupation with right of purchase he pays 5 per cent.?—We pay 5 per cent. on ours on the lease in perpetuity. I do not know how you get 4 per cent.

248. This is a Crown-lands lease, and your's is an improved estate. You do not see that you should pay anything for the option?—Not when we have helped to make it ourselves.

249. *Mr. Johnston.*] Have any of these sections changed hands? Are the original settlers there?—Three sections down our end of the settlement have changed hands.

250. Do you know what they got for their sections?—I could not tell you exactly, but I do not think they got very much over their improvements. In one case I heard of the Land Board was satisfied that they had not got more than the amount of their improvements. If they got anything in the other two cases, it was very little.

251. Do you farm your land as well now as you would do if it were a freehold?—I think I should do much the same with it.

252. *Mr. Anstey.*] Have you had any experience with the Advances to Settlers Office?—Yes, I had a loan from them.

253. Was it satisfactory?—Yes.

254. What are your relations with the Land Board?—They have always been satisfactory.

255. *Mr. McCutchan.*] Does the Land Board exercise any scrutiny over the consideration that passes between the vendor and the purchaser of these lease-in-perpetuity sections under the Land for Settlements Act?—All have to be referred to them, I believe.

256. Have you known of any transfers being refused on account of the consideration being excessive?—No.

257. Do you think that the Land Board ought to exercise any supervision over the consideration?—No. If the place is worth £10 an acre for the goodwill, I do not see why the tenant should not have it.

258. You think it is satisfactory?—Yes, because it is through his efforts that it has become valuable. There are pounds and pounds spent on these sections that the valutors cannot see, will not see, and do not want to see. I have expended a good many pounds, but no one can see the result of that expenditure now.

259. Did you hear Mr. Griffin's evidence this morning?—A portion of it.

260. Did you hear his evidence with reference to the point you are touching on now?—Yes; he says he only values what he can see.

261. Therefore, it follows that tenants are making a large amount of improvements for which they can get no credit?—Certainly; a man can fill up hollows, for instance. On my place there were hollows that I have ploughed in, and in a wet season I have seen two or three acres on my place with no grass on it. I ploughed the hollows up and raised the bottoms, but I did not do that for nothing, and now they will drain themselves.

262. *The Chairman.*] Is there anything you wish to add?—You asked the last witness why this 5 per cent. rebate was given. If I remember rightly, we approached the Land Board on the matter. The Mahora, on the lower end, is subject to a River Board rate. I think it was 1½d. in the pound on the capitalised value. Then, they have sprung another rate on us for the Pakowhai Bridge, a bridge which has been in existence for about twelve years. In view of these rates, we sent a petition to the Land Board before this rebate was given. That was how we got the first rebate, and it has been extended over the whole of the settlers.

263. *Mr. McCutchan.*] Do you look upon that rebate as a discount for the prompt payment of rent?—Certainly, I do. I consider if a man pays his rent promptly he should be entitled to some consideration over the man who allows his rent to get in arrear.

264. Is not one tenant's money as good as another's?—Certainly.

265. Then, why should one get 10 per cent., another 8 per cent., and others 5 per cent. rebate if it is a discount?—I was not aware they were getting it. We got it because there was some dissatisfaction at the excessive rates we had to pay to the River Board.

266. *The Chairman.*] You say you got one of these sections by will: did you show the will to the Commissioner of Crown Lands?—I did it all through my lawyer.

267. *Mr. Paul.*] Do you know that some tenants get no rebate?—No, not in this district. Here there are practically no arrears.

268. You pay your rent in advance?—Yes. They give you one month. Say the rent falls due on the 30th June, you have a month to pay it; but if you let it go to the 1st August you do not get the rebate.

269. The whole matter is left in the hands of the Commissioner of Lands and Receiver of Land Revenue as to whether there shall be any rebate, and, if so, what sum up to 10 per cent. shall be given?—Yes; we get 5 per cent. for prompt payment within one month of due date.

270. *Mr. McCutchan.*] In connection with the property which you hold by will, was there a subdivision of the section, or was the whole section left by will?—It was all left.

271. Do you hold any other land?—I hold a bit of freehold in Hastings—25 acres.

272. Were you compelled to reside on the land you selected?—No.

273. Residence on the freehold was counted as residence on the other—one counted for the other during my wife's life.

274. *Mr. Johnston.*] During your wife's life you were exempt from the other section, and you are still exempt?—Yes.

THOMAS JOHN THOMPSON examined.

275. *The Chairman.*] Are you a farmer?—Yes, and also a butcher. I have 46 acres at Mahora, and 2 acres, on which I reside, at Havelock, both lease in perpetuity. I am paying for the Mahora land about £32 half-yearly, and the rates on that land are very high. The portion I hold is in the borough, and the rates amount to 4s. 2d. an acre. I pay over £9 in rates. In addition, I have to pay harbour rates, about half the borough rates—£4 10s. a year.

276. What do you do with your land?—I graze it principally. I crop a small portion of it to break up the ground occasionally.

277. What do you wish to bring before us?—The principal thing that I wish to say is that I prefer the right of purchase. I think most people would like the freehold. It is a desire which is almost inherent in mankind. I was very satisfied with the lease, and I think it is the best Act ever passed in New Zealand, as it gives the struggling settler a chance to take up land, which he could not do under the freehold system. I think, however, that if a man could manage to save a little money on his farm, and with it pay off a portion of the capital cost it would be a great encouragement to him, and would be an incentive to thrift. He would also be able to get his rent reduced in proportion to the amount he paid off the capital value. Sometimes it is a struggle to get the rent at the due date, but if we could in good seasons pay off something and so reduce the rent we might hope in time to make the land a freehold. In my opinion, the quantity of land we are allowed to take up is too small, and, personally, I would like to be allowed to take up some more land under the same tenure and conditions, provided the option of purchase were allowed. I have no fault to find with the Land Board; the constitution is all right, and I could not suggest anything different. I have had no connection with the Land Board.

278. *Mr. Paul.*] You are getting too big for your section now?—Yes. I have a very large family, and I find the section is too small.

279. Under the Land for Settlements Act you are debarred from taking up any more?—Yes.

280. Would it be satisfactory if you had the option of taking up a larger area on condition that you sold this section you have, or otherwise disposed of it?—Not altogether. It might not suit me to dispose of the one I have got, because it is convenient to my business, and I do not think there would be any chance of my getting a larger section within reasonable distance of Hastings. Otherwise, it would be satisfactory, if I could dispose of the one I have and take up a larger area.

281. *Mr. Johnston.*] Where do you live?—I live at Havelock.

282. Did you put any buildings on it?—No.

283. The Land Board exempted you from residence on it?—Yes.

284. You use it just for grazing and fattening?—Yes.

285. How long have you been in the district?—About thirty-one years.

286. Have you been farming all the time?—I have been butchering for about twenty years.

287. *Mr. McCutchan.*] Having one section under the Land for Settlements Act, are you precluded from taking up a section under the Act of 1892?—I believe so.

288. You are barred in both ways?—Yes.

EUSTACE LANE examined.

289. *The Chairman.*] Are you a holder of land?—Yes; I have been for eighteen months. I have a section on the Argyll Settlement, formerly known as The Brow.

290. How many acres have you?—634. My wife has an interest in another section. Both are lease in perpetuity. We are paying 4s. an acre for one and 6s. 6d. an acre for the other, which belongs to my wife. Mrs. Lane's section contains 609 acres.

291. Are the two contiguous?—No, for the reason that there is only half an interest in one.

292. Are you satisfied with the tenure?—Not entirely. I think it should be improved. The main trouble is that we cannot get transfers.

293. Not until you are a year there?—Five years. That is a great drawback to a great many; in fact, when I wanted to get some land eighteen months ago I had great difficulty. I came from Western Australia, and my application was approved by the Land Board, but was refused by the Minister of Lands, because of a letter which was sent to him raising objections to my application, and making entirely false statements respecting myself. The letter was written direct to him, and the writer achieved his object, which was to make the Minister refuse my application. He said he had no option. It contained false statements, and stated that if the application was granted questions would be asked in the House.

294. What was the objection to your application?—The land did not adjoin; it was a section away from my wife's section, and the point is this: if a wife's section adjoins her husband's he will not reside on it any more than he would if it did not adjoin. On the other hand, if it does not adjoin she is more likely to employ labour on it, she being at a distance, than she would

if it adjoined. The original section I took up, which was my own, was a very poor one, and could not keep a family. I only took it up on the understanding that I could get another section in my wife's name, but there was no land adjoining which I could get, only two grazing-runs, which exceeded the area which is allowed. It seems absurd that a wife's section should have to adjoin her husband's, if it is in the same settlement. That is the point I wish to call attention to. My wife has an interest in the section I refer to now.

295. Is it in her name?—She is a tenant-in-common, and that tenancy was recognised by the Land Board and approved by the Minister; but it is objectionable, and it would be far better if the section were given to her. It was only an objection, but, because of this letter to the Minister, it blocked me.

296. Still, after it was looked into, you got the land, so that the letter you refer to did not have much effect. It is quite evident that, after investigation, the Minister found this letter was not reliable, and acted accordingly: you got the land?—No; I only got an interest in it. I am burdened with a partnership.

297. Your wife has a half-interest in 609 acres: who has the other interest?—This other party—the original holder. He is the original Crown tenant on the section.

298. Is he living there?—Yes. It is practically a tenancy in common in regard to this section, and it would be far better if one were allowed to get a straight-out transfer and take the whole of the section; but the arrangement we made was the only one we could make to get more land under the circumstances.

299. Did your wife and this man, who has the other half-interest, agree that they would take this section, which now, you say, is held as a tenancy in common?—No. This other man undertook to take my wife into it as a partner and tenant-in-common.

300. I do not quite understand it yet. Is there any other matter you wish to bring before us?—Yes. I think a married woman should be considered to have attained her majority on her marriage. Had my wife attained her majority at that time she could have taken up the section I took up, and I could have taken up the adjoining grazing land. With regard to the balloting system, I think it is a very bad one. I think the suggestion made by Mr. Jull is an excellent one. It has been made to me before—namely, that the applicants should be required to fulfil the conditions, and that then the sections should be put up to auction, and if any section fetches more than the upset value, the money over the value should go to a fund, which the Government would require to provide all sorts of things out of, to make good roads or to finish roads left unfinished. I do not think men are encouraged to offer more than the thing is worth. If they do, it is their own look out, and the extra money so obtained should go to the Government fund I have mentioned. On the Argyll Settlement we are all loaded to an equal amount to raise the amount provided, or supposed to be sufficient, to make the roads. But it is not sufficient. We have only half a road made, and some are paying for roads they have not got. We cannot get our roads finished by the Government or the County Council. We cannot get drays along the sections, and yet we are paying a certain sum towards the cost of finishing the roads. Under the system which has been suggested the Government would be able to complete the road. I think the ballot system encourages men to speculate more than the auction system. I also think that transfer should not be delayed for more than five years. Continually men will take up sections that they find do not suit them, and they want to transfer them, and it is very hard that they are not allowed to. At present the transfer is optional, and depends on the will of the Land Board. It is one of the objections to the leasehold that you are hindered in giving a transfer, but with freehold there would not be any such trouble. Regarding the question of giving the optional right of purchase, the objection to that is that the Government might be saddled with all the bad land. Suppose the occupier was in a position to buy the land, he would buy it where it was worth buying, and would saddle the Government with all the sections which were not worth purchasing. That is the objection which is urged against the optional right, but if there were such a fund as I speak of the Government would have something to make up the deficiency, or to help them to carry the burden of the land that they could not sell. The great danger in Government administration is that corruption may creep in. I think it would be a mistake to abandon the leasehold system, and I am of opinion that it is a capital thing to buy up large estates and settle them in larger areas.

301. *Mr. Paul.*] Is there not another disability married women labour under, inasmuch as they are not allowed to take up the same area of land as single women?—Not that I know of.

302. In order to prevent speculation, do you think if a man is successful at one ballot and sells his section he should be debarred from balloting for some time?—Yes, I do.

303. *Mr. Johnston.*] Do you not think that settlers and their sons residing in the country, and who want land, should have a preference over strangers coming in?—No; we are all one, and I think, if anything, strangers should have a preference.

304. Could you have taken up a freehold if you wanted to?—I could not just then. My money was in business in Australia.

305. As to your wife's interest in another section, was that not practically dummyism?—I do not think so.

306. She has paid the holder so-much for the half-share?—Yes.

307. How much did she pay him?—The whole value of the improvements. We have to wait five years until we can go out.

308. What did the improvements amount to?—£150.

309. She paid £150 to go in?—Yes.

310. Therefore, she paid £75 for goodwill and £75 for improvements, if he is still half-owner?—He is not half-owner in the improvements.

311. Then, he is simply a dummy, pure and simple?—I do not see that.

312. What wages do you pay this man?—£2 a week. He is working the stock.

313. *Mr. McCutchan.*] You said the roads were not satisfactory on the Argyll Settlement?—The road is unfinished.

314. Was the block loaded for roads?—Yes.

315. Was there a condition that access to each section would be given?—Yes.

316. And that condition has not been fulfilled?—That is so.

317. Was it not a condition that the road would be formed and metalled?—I understood that the road was to be made.

318. In connection with this section in which your wife has a half-share, does this man get half the profits in addition to the £2 a week?—No; he gets £2 a week for looking after the stock.

JOHN ANDERSON KERR examined.

319. *The Chairman.*] What are you?—I am a farmer. I have a small piece of freehold land here, and I have a section of 217 acres in the Lindsay Settlement. I have just acquired this section. It is under lease in perpetuity, and my rent is 13s. an acre. I am very glad there is a lease-in-perpetuity tenure so that I can secure a section of land. There is one point that two or three of the settlers have talked over. There is some years' growth of noxious weeds in the river-bed—Californian thistle and blackberries—and apparently we are held responsible immediately we take possession for these past years' growth of noxious weeds. There are acres of Californian thistle on the low-lying land, and nothing has been done to eradicate it.

320. Has the Inspector of Noxious Weeds visited the district?—I am informed that he will hold us responsible.

321. You saw the land before you took it up?—Yes; but in the future I think the Government ought to take steps to clear the land before settlers take it up. The grouping system under the ballot is not satisfactory. In connection with periodical revaluations, I think that would be advisable if it could be possibly arranged that the valuer should co-operate with the valuer of the section—that is, for rating and other purposes.

322. *Mr. Johnston.*] Are you in favour of the straight-out ballot?—I do not know what else you could do. The grouping system is unsatisfactory.

323. Is the Californian thistle getting hold of the land?—Yes.

324. How are you trying to eradicate it?—Nobody has done anything yet. The settlers have only been two months in possession, and they have taken no steps so far.

325. Would it be satisfactory if the valuer were to send you notice a few days before he came round?—Yes, I think that would be more satisfactory.

326. Are you satisfied with your farm?—Yes.

327. You have got some pretty good land, have you not?—Yes.

328. You are quite satisfied with the lease in perpetuity?—So far, I am.

329. You are not asking for the right of purchase?—Not just now.

330. I suppose you are waiting for a year or two?—I am quite satisfied I would not have got the land if the lease in perpetuity had not been in existence.

JAMES HAWTHORNE examined.

331. *The Chairman.*] What are you?—I am a farmer at Mahora South, and hold 43 acres under lease in perpetuity. My rent is £1 6s. per acre. I have been there about six years.

332. Is the tenure satisfactory?—I consider the rent is a little high in my case, as I have a good deal of shingle-bed.

333. Is there any particular matter you wish to bring before the Commission?—I am thoroughly satisfied with the lease in perpetuity. I consider it a very good system. It suits a working-man. He can go on the land with very little capital. It is all very well for the man who has cash to buy the freehold, but the working-man can take up land under lease in perpetuity and work himself up. They should not push him too much in respect to residence clause, unless he has enough cash to live on the land. He requires a little consideration. I mean where the holdings are small. I wish to draw your attention to this matter of loading for roads. I object to that very strongly, when the money is not expended upon the roads.

334. Have your relations with the Land Board been satisfactory?—Yes, and we are satisfied with the constitution of the Land Board. I am not altogether satisfied with the Valuation Department. I refer to the valuations of Mr. Griffin. He is like other people, and can commit an error of judgment.

335. If the valuation is too high you can appeal to the Court?—Yes; but you cannot make anything out of it.

336. Have you had any experience in borrowing money from the Advances to Settlers Office?—Yes, and it was not satisfactory.

337. *Mr. Paul.*] Are the rates heavy on those sections?—They are not so heavy on mine. There is only part of it under the Borough Council.

338. Is the settlement prosperous?—In my opinion, it is.

339. *Mr. Johnston.*] Do you know what your rates are?—There is about £1 13s. on each section for harbour rates and £1 2s. 6d. on each section for river rates. Then, there is the County Council rate, which I think is about £3 7s. 6d. on each section, and then there is £1 1s. 2d. for borough rates. I have been there for six years. There is misunderstanding between the Land Board and the Borough Council, and nothing has been done to the roads since the Land Board formed them.

340. Do you know how many settlers in your district are members of the Farmers' Union?—I do not know.

341. Did the settlers get up this agitation for the right of purchase, or was it the Farmers' Union?—I think it was the Farmers' Union. My belief is that the settlers did not get it up. Three settlers who spoke to me said they were opposed to it.

342. Then, the majority of the settlers are satisfied with the lease in perpetuity, and do not want the freehold?—Yes; but I cannot say as to settlers in other parts of the settlement.

343. Has this agitation been got up with the view of speculation, or owing to a general wish to get the freehold?—I think it is simply got up as a political agitation against the land policy of the present Government.

344. Have you noticed any instances where the Land Board has insisted on residence vexatiously?—No, not vexatiously.

345. If the settlers on such a settlement as this were allowed to live away from their place, do you not think that would injure the settlement?—Yes.

346. Do you think it would be wise that there should be sufficient loading put on to give access to the land?—Yes.

347. *Mr. McCutchan.*] Do you think the Roads Department, after spending the loading, should vest these roads in the local body?—Yes.

ERIC CHARLES GOLD SMITH examined.

348. *The Chairman.*] What are you?—I am Commissioner of Crown Lands and Chief Surveyor of the Hawke's Bay Land District. I have occupied that position for eight years and a half. Generally speaking, I should say that the settlers in Hawke's Bay are very prosperous, and they are very excellent settlers. We have not the slightest trouble with them, and we are quite a happy family. They seem to be satisfied with their tenures. We have no trouble in collecting rents. The settlers are doing their improvements in a very satisfactory manner. In fact, I think they compare very well with other districts. As an instance of this, I will give you the improvements that have been effected on the land for settlements. There are thirteen settlements here under land for settlements, containing an area of 115,026 acres. The improvements required under the Act are £41,644 11s. 3d. The improvements effected are £125,576 17s. 9d. That gives £83,926 6s. 6d. improvements above that which was required by the Act. I think that is a very satisfactory state of things. You must treat the question in two ways. There are the ordinary Crown lands, and there are the land-for-settlement lands. In the case of ordinary Crown land it may be taken up for cash, or occupation with right of purchase, or lease in perpetuity. People could hardly expect a more generous Land Act. It should, I think, meet the requirements of all settlers. But when you come to land for settlements you then come under quite a different set of circumstances. In the one case the land is generally virgin country, where a man has to expend capital and labour to bring it under cultivation. In the land for settlements it is improved land, which has been bought by public money at a large expense, and the tenants are put on that land merely paying 5 per cent. on the capital value. These lands are held under lease in perpetuity. In my opinion, the lease in perpetuity is a very bad lease—a lease that you will not find anywhere else, and you will not find in any other form of lease the same conditions given—that is to say, giving a lease for 999 years at a rental of 5 per cent. on the present value of the property. Most leases are for a certain term, and very often at an increased rental. In fact, you hardly ever get a lease in which there is not an increasing rental, and generally for a very much shorter term. In my opinion, it would be a very great improvement to have this land under land for settlements leased under leases with a perpetual right of renewal—that is to say, they should have a lease for twenty-five or thirty years—the term is immaterial—at 5 per cent. on the capital value, subject to revaluation at the end of the terms. At the end of the terms there would be revaluation on the unimproved value, but the tenant would have the right of renewal—the perpetual right of renewal. I suppose the rent would be fixed by arbitration. I think that would be a great improvement on the present lease in perpetuity, which, according to my idea, is a most unbusinesslike lease for the State. I am speaking of the interests of the State. I may say, speaking generally, that among the Crown tenants of Hawke's Bay I have heard very little expression of a wish for the freehold. If there had been anything of the sort it has been quite recently. There is another thing I would like to point out: that under the Crown land conditions land can be purchased for cash which, of course, gives the freehold, but we have had very few sales indeed. Under the optional system land can be purchased for cash, but it was quite the exception to get applications for cash purchases in Hawke's Bay. The constitution of Land Boards is a thing I shall not give opinion on. As to the pressure of residence conditions on Crown tenants, there is a great deal to be said about the residence conditions. We very often hear of a settler complaining about being compelled to reside, and this is particularly so in the case of the back blocks. There is a certain amount of hardship in compelling settlers to reside in the back blocks where roads have not been constructed. On the other hand, we have heard of great complaints of want of schools. Settlers say that if they had schools they would reside. That is absurd, because residence must take place before there can be schools. If residence is compulsory and is enforced you get a lot of families to go out in the back blocks when they can possibly get there, and then schools and other things follow. I think it is necessary therefore that the residence conditions should be carried out. With respect to the working of the ballot system under the Land for Settlements Act, the grouping system is very bad. I am aware that owing to the grouping system many really good intending settlers have been kept from going to the ballot. It is very natural that a man does not wish to be forced to take up a section that he does not want. There is a very great difference of opinion about sections. They may be valued at the same sum. They may be at the same rental, and they generally have the same physical features, but every man has his own idea or his ideal of a farm. Grouping, I consider, is decidedly a mistake. If any grouping is done it should be rather done on the principle of the amount of capital required for working the sections. For instance, you would start with small farms of probably 10 or 20 acres. Then you would have dairy farms and ordinary farms, and then there would be the grazing-runs. A man should be allowed to go in for as many sections as he liked, but he must keep within the limitation he can take up under the Act, but he can only hold one section. I think that would be a great improvement on the ballot system. With respect to the practice of loading lands for roads, when you get a block cut up you get a certain amount granted for roading that block. I understand that

amount is expended by the Roads Department. I cannot say anything as to the working of the advances-to-settlers system. I think the other questions mentioned in the order of reference of the Commission have been referred to by me in my remarks on the Land Act.

349. *Mr. Paul.*] With regard to grouping at the ballot, would you allow a man with plenty of capital to compete with a poor man for the small sections, or would you begin with the small men first?—I think it is hardly likely that men with large capital would compete with the small men. A man with a large capital would not want to go in for a 20-acre farm, and, even if he did, I hardly see how you could take exception to it.

350. If there are six groups, so far as capital is concerned, the poor man through his limited means is restricted to two, but the man with plenty of capital has his choice of the six?—That is true; but would not the man with a large amount of capital want a larger farm than the other man.

351. What is the highest rate of interest allowed by the Hawke's Bay Land Board for private mortgages?—8 per cent.

352. How does the Board view transfers? Do they allow unrestricted sale, or do they super-
vise them? The application comes before the Board, and on the face of the transfer is shown the amount of consideration. If we see there is a large amount given we make inquiry, and if it looks like a case of speculation, as a rule, the transaction is bailed up, and we do not allow it to pass.

353. The Board exercises an intelligent supervision over transfers?—Yes.

354. What are the conditions as to tenancy in common, and what part does the Board play in them?—A man applies to take in another man as a partner or tenant-in-common, and one of them must reside on the land.

355. Do you think there should be residence without roads on bush land?—No, I do not. I have great sympathy with the back-block settlers, and it has been a trouble in all back-block settlements that they do not get sufficient money spent on their roads. I do not think that residence should be compulsory unless there is a fairly good road made. Of course, in the back blocks they expect bridle-roads to be made first.

356. Do you think successful settlement would take place under the land-for-settlements policy with periodical revaluations?—I do not see why it should not.

357. Of course, you do not anticipate any interference with the present leases?—No; I do not suppose that any Government would do such a thing.

358. You do not think it possible?—I do not.

359. Is there something in the lease in perpetuity that the ordinary mind cannot understand?—I think some settlers have an idea, or they have been told, that it is insecure, or that there may be revaluation or a Fair Rent Bill that will interfere with the tenure.

360. You are of opinion that what you suggest would be a common-sense lease?—Yes.

361. *Mr. Johnston.*] You heard the evidence of Mr. Lane: in that case, is it not purely dummyism?—An application was received to take Mrs. Lane in as a tenant-in-common, and, as far as the Land Board knows, they are holding it as tenants in common.

362. According to the evidence the man has no interest in the section whatever, except that he is there as a dummy?—I do not know that he has no interest. What we know of it as a Land Board is that these two parties hold it as tenants-in-common.

363. Do you consider that is advantageous to the country?—I do not see that there is any objection to it. One of the parties has to reside, and you have a residence on each section in the settlement. You may have a dozen tenants-in-common.

364. Are there many tenants-in-common?—Not a great many.

365. Will you send us a list of the number of tenants-in-common and the monetary interest given to come in as a tenant-in-common?—I can furnish you with all the information we have about it.

366. What arrears in rent have you got?—They are very light this year. I will send you a list of them.

367. Can you give us any idea of the area of land in this district suitable for closer settlement under the Land for Settlements Act?—No. There are estates suitable for close settlement from Woodville down to Napier. I should say it would run into hundreds of thousands of acres, but I would not like to risk naming the area.

368. Do you approve of the present classification of land?—Yes.

369. You call Mahora first-class agricultural land?—Yes.

370. And you call certain parts of Hatuna first-class agricultural land?—Yes.

371. But the land is not of equal quality?—No, but it is not defined by the Act. Land that is ploughable or fit for cropping is agricultural land. We classify the land as first-, second-, or third-class agricultural land.

372. You would not allow a man more than 640 acres of first-class land?—That is so.

373. But is there not a considerable difference between two classes of land that are classified as first-class?—Yes, they are classified the same, but their price is different.

374. Do you not think the rich flats ought to be classed as one class, and it should go in proportion either to the value of the land or to the cropping-capacity of the land?—Yes, that would be an advantage.

375. You have no proposition to offer in connection with it?—No.

376. What is the area of Native land in this district?—I could not say, but there is a large area.

377. Is that Native land being used?—In Hawke's Bay most of it is leased, but in Wairoa and Poverty Bay it is not being used for profitable occupation.

378. Do you not think it is a great drawback to settlement when there is so much Native land unoccupied?—Yes.

379. Is there any aggregation of estates going on in this district?—Not that I know of.

380. Is the tendency the other way?—Yes, lately.

381. In connection with the transfers, has there been any speculation, or are the majority of the transfers genuine?—We can only deal with what is put before us.

382. Have you ever come across any false applications by persons wanting to go in to a ballot?—Very rarely, indeed.

383. Have you come across any misrepresentation as to the amount of their capital?—That is a thing we can hardly check. A man states his capital, and unless we inquire at the bank we cannot tell whether his statement is true or not, and we accept it.

384. Other Boards ask for information and check it?—I was not aware of that.

385. Do you think it would be advisable to give the educational lessees the freehold and invest the capital value?—Probably if you could capitalise them and the institutions get the same revenue, it would make no difference.

386. Would it be advisable to do away with the educational reserves, and hand over debentures bearing interest to bring in an amount equivalent to the present rent, and have the reserves administered by the Land Board?—I think that would be advantageous, and the revenue would not suffer in any way.

387. Have any of your Crown lands or educational endowments been lying idle?—We have some Crown lands in the back of the Motu that have not been brought under the survey.

388. I mean surveyed lands?—No.

389. Mrs. Ross said that the runs at the back had been thrown up?—They have been surrendered lately, and are waiting to be reoffered.

390. Have the rents been increased or reduced in the last few years?—The tendency has been to reduce them. The tenants did not seem to get on with the land, and it was supposed that they might be overvalued.

391. If wool ten years ago was worth 6½d. and to-day is worth 10½d., why should the rent of these runs be reduced if the capacity is the same?—It is a matter of whether it is not better to reduce the rents than allow the runs to lie idle.

392. These runs were in occupation?—Yes, not so long ago.

393. Why are they not so readily taken up?—The runs there were given up because the men were prosecuted for rabbits.

394. It is the rabbit nuisance that is deteriorating the value of the land?—Yes.

395. Is the Crown taking steps to eradicate the rabbits?—It is not under my jurisdiction.

396. You have no jurisdiction over what is deteriorating the value of the country?—No.

397. Do you not think that is wrong?—I do not see how it could be remedied. They have Rabbit Boards and Noxious Weeds Inspectors.

398. Do you not think you should have some say in the eradication of pests which interfere with the land from which you get your revenue?—We do not want to have anything to do with it.

399. Are noxious weeds increasing on Crown lands?—I have heard that they are increasing lately. Californian thistle was not here I believe some years ago on Crown lands. Of course, steps have been taken to get rid of it.

400. *Mr. Austey.*] I think you said that the residence conditions should be enforced where there are reasonable means of access, but not otherwise?—That is so.

401. Do you think the same conditions should apply to people taking up land for cash as well as leaseholds?—I do not think it would be fair.

402. Freeholders should have advantages which the leaseholder has not got?—He has the advantage, any way, that capital gives him.

403. Do you think it is right to give him that advantage?—If you touch on that you open up the whole question of the advantages that capital has over the poor man. I do not see how you could have compulsory residence on land purchased for cash.

404. Do you think that the amount of loading, generally speaking, is enough to give access for the settlements?—It is not enough, but it is all we can put on it.

405. In what way?—Because it brings the value of the land up so high. The more loading there is for roads the more value you put on the land.

406. Can you not reduce the value of the land?—No. You value the land and then put on the loading.

407. It is valued too high if it will not stand the price of the roading?—That is not so. It is ridiculous to expect the back blocks to be entirely roaded by the amount for which they are loaded.

408. We are talking about giving reasonable access to them. If you have valued the land so high that it will not bear the loading, you must have valued the land too high?—I do not see that.

409. The value of the land is the value of the land plus its roads, is it not? and if you put the capital value so high that it will not bear the cost of the roads it is valued too high to begin with?—If you were to follow that out it would be all loading.

410. Then you would know what you are doing. Would not that be better?—Perhaps it would if you could get the actual money and make the roads at once.

411. Would that not show the actual position of the blocks better than at present? Many of the blocks do not pay half the roading?—It is never supposed that the loading will make the roads without assistance from some other sources.

412. It makes the roads fit to hand over to the local body?—What do you call a road—a bridle-track?

413. That might do for a sheep-station?—If you do that the settlers immediately want it open for dray-traffic. People look for better things than a bridle-track now. People in the back blocks have to be content with bridle-tracks, whereas macadamised roads are made for those nearer the centres of population.

414. Do you think means of access ought to be given to every block before it is opened at all?—It would be an advantage.

415. What system do you follow in regard to making rebate for rent?—I think it is 5 per cent. throughout the district.

416. Have you any reason for not making it 10 per cent., the same as other districts?—We did not think it necessary. In fact, for a long time no rebate was given here at all. We had an excellent class of settlers who were paying their rents well, and we did not think there was any occasion to give a rebate, and lose that amount of revenue to the colony.

417. Why have you made a 5-per-cent. rebate when they are paying up so well?—They began to think they were badly treated when all the other parts of the colony were getting it.

418. They began to hang back in payment?—No, they did not. We considered the heavy rates they were otherwise paying, and decided to give the rebate to all the land-for-settlements land.

419. *Mr. McCutchan.*] Why did you not make the rebate to tenants under the Land Act of 1892, seeing that they are going through great hardships with regard to roads and other disabilities?—We did not think it necessary.

420. Was there any particular reason why the Department did not think it necessary?—It is not a matter for the Department. It lies with the Receiver of Crown Revenue and the Commissioner.

421. I know that, but it seems an extraordinary thing to me that tenants with good roads and living in the front, and whose properties were highly improved when they took them up, should have this rebate at a time when they are getting a high price for their produce, whereas the back settlers get no rebate?—The back settlers do not pay high rates. They do not pay River Board and Harbour Board rates in the back blocks.

422. You stated that there were a few cash sales in the district: how do the occupation-with-right-of-purchase leases compare with the lease-in-perpetuity leases in the last few years?—They are keeping pretty even. There is not a great deal of difference.

423. Are you including lease in perpetuity under the Land for Settlements Act in the comparison?—No.

424. In the Hawke's Bay Land District applications are about even under the Land Act of 1892?—That is so.

425. You advocated revaluation every twenty-five or thirty years, the rent to be fixed on the unimproved value?—That is only in regard to land-for-settlement lands.

426. If such a system were brought into operation with regard to the waste lands, do you think men would go on to them?—Probably not.

427. Can you say why it is in repaying the loans that are raised under the Government Loans to Local Bodies Act the Department charges 7 per cent. as interest and sinking fund?—I cannot say.

428. You spoke of the land laws of the colony offering three tenures—lease in perpetuity, occupation with right of purchase, and cash—in connection with waste lands: we find that in some districts, under the Act of 1892, no such option has been offered, and the settlers had to take up the land under lease-in-perpetuity tenure. A little later some of these sections were forfeited, and these forfeited sections were put up under the optional tenure: do you think that was fair to the original settlers?—No, I do not.

429. With the exception of where there are minerals, do you think that all waste lands should be offered under the optional system of tenure?—Yes.

430. Do you think the lease in perpetuity has become unpopular with the community, and that there is some dissatisfaction amongst those who hold that tenure, and that it is desirable to make that tenure as good as freehold if possible? Do you think it is possible to make the people as satisfied under that tenure as under freehold?—I do not think it is possible. I think it is natural for a man to want his freehold, but I do not think that they have the capital to acquire it.

431. Do you think they should have the power to make the freehold their own by thrifty living, and therefore out of their savings?—Yes, ordinary Crown lands.

432. I suppose you must be aware that there is a change now in the Advances to Settlers Department under which both the goodwill and tenant's improvements are valued, and the tenant can get an advance up to half the amount of his goodwill? Do you think that is an acknowledgment by the State that the goodwill belongs to the tenant?—That is a matter I have really not considered; but the very fact of allowing an advance on goodwill is an acknowledgment that it belongs to the tenant, because he gets the benefit of the loan.

433. If the goodwill belongs to the tenant, do you think the Land Board is justified in questioning the consideration that passes between the purchaser and the vendor?—I imagine that that clause was put in rather to prevent speculation—that is to say, transfers were being made very rapidly, and suppose a man only held for twelve months and then transferred, it would appear that his object had been speculation.

434. Looking at it from a broad standpoint, if the interest and goodwill belong to the tenant, in what way can the State claim the right to interfere with the consideration?—In equity they cannot.

435. And we like to base our laws on equity?—Yes.

436. Therefore, the Land Board should exercise no supervision over the consideration that passes?—Not in equity.

437. When a tenant's interest in a section exceeds the interest of the State, do you think that Land Board supervision should cease?—Not as long as he remains a tenant of the Crown, no matter how much his interest exceeds that of the State.

438. In regard to land purchased under the Act of 1892, do you think that a third of the purchase-money should go to the local bodies?—Yes.

439. Is there a large amount of money in the hands of the Receiver of Land Revenue in Hawke's Bay?—Not to any extent.

440. *Mr. Paul.*] With reference to education leases, is it not most likely that they will increase in value in years to come?—Yes, in accordance with other increases.

441. From the point of view of those institutions, do you think it would be wise to interfere with them?—It struck me when I was asked that question that there was a possibility that the lands might increase in value.

442. You were asked the question as to the advisability of restricting the purchase of the freehold to a man's own savings: can you imagine how the State could know whether a man was purchasing the freehold directly out of his savings?—I do not remember being asked that question.

443. The question was asked you, whether it would be advisable to allow lease-in-perpetuity holders to purchase the freehold from their own savings?—I do not remember being asked that question; but if I was asked my own opinion about the lease in perpetuity, I would say they should never be allowed to get the freehold.

444. Do you think it would be possible to know whether a man was purchasing the freehold out of his own savings or out of borrowed money?—I suppose you could ascertain whether he was borrowing the money.

445. *Mr. Johnston.*] How much, in your opinion, has the value of leasehold increased in this district within the last three years?—I could not say; I have nothing to base an opinion on.

446. Base it on the transfers that have gone through the Land Board?—Transfers that go through the Land Board merely keep about the value of the improvements. They hardly show that the vendors are making anything.

JAMES ANDERSON KERR re-examined.

447. *Mr. Johnston.*] You are secretary of the local branch of the Farmers' Union. Was any petition sent to you about the freehold?—A petition was sent from the colonial president to be signed. I do not think we got more than twenty or thirty signatures altogether.

448. How many were Crown tenants?—Four, I believe. There are only four members of the branch who are Crown tenants.

449. The petition originated from the headquarters of the Farmers' Union?—The copy came from headquarters, I believe.

PAHIATUA, SATURDAY, 10TH JUNE, 1905.

THOMAS NESTOR examined.

1. *The Chairman.*] Are you a settler in this district?—I have been a farmer for about thirteen years, and I am a member of the Farmers' Union, which had its inception in this place. I hold 1,000 acres of freehold about eight miles from here.

2. What matters do you wish to bring before the Commission?—First, as to the constitution of the Land Boards, I would stick to the present system, or else do away with them altogether. If you adhere to the present system the selection of members ought to be made from more practical men, and two members of the Board should not belong to the same family, or be closely related to the same family.

3. At present they are nominated: in what other way do you suggest they should be selected?—I would do away with them altogether, and put in their place the Commissioner and his officials. Having two members of the same family on the Board creates a feeling of uneasiness in the minds of people who have to do business with the Board. With regard to land-tenures, any tenure from which the right to obtain the freehold is excluded is not at any time acceptable, for the reason that the leaseholders think—and quite rightly—that there is no certainty as to these tenures. The Government of to-day may not be the Government of to-morrow, and something might arise to completely alter the circumstances of that tenure. The keen competition of the world's outside markets allows no room for landlordism, either State or individual. The freehold is a tenure acceptable to the great majority of the producers—to ninety-nine out of every hundred. It is a great incentive for a person to acquire and remain on the land. It will cause better farming, and inculcate in the settler habits of economy and perseverance. A farmer's ambition is to call his farm his own—suppresses speculation, as if the farmer finds that everything belongs to him he will not be anxious to move. It will give a reliable security as to tenure, and create a community of interest amongst farmers, and bring them into line to protect themselves. It will cause more independence in the farmer, and induce him to work his farm to the best advantage. It will do away with harassing restrictions, and the money paid to officials to carry out the regulations, and which he has to pay indirectly, he can place to his own credit to assist his children at some future date who are helping him on his farm. With regard to pressure of residence conditions on Crown tenants, I consider that, wherever possible, compulsory residence should be insisted on. It would be the means of forcing the carrying-out of all conveniences necessary to civilisation, such as education, roads, post and telegraph, &c. With regard to pressure of other restrictions, within reason the farmer is the best judge of what is necessary with regard to improvements, repairs, and cropping. As to cropping, certain soils may be good for cereals and not much good for root crops, or *vice versa*; consequently if a farmer was obliged to put in a crop not suitable to the soil it would be very disadvantageous to him and a waste of time and labour. Cropping does not affect the soil, but only the gases in the soil. Still, he should be allowed to grow the most remunerative crop, for it is by turning up the soil and exposing it to the weather, and probably using a suitable artificial manure, that he makes the soil much better and acceptable to receive any crop. As I said, cropping does not affect the soil, but only the gases in

the soil, some of which may be superabundant. With regard to the effects of climate, where it can be shown that the climate is injurious to health and the country is too rough residential occupation should be dispensed with. Then, the homestead privileges would be a good thing. As a great deal of our country is snow-covered for months in the year, sufficient land should be attached to the homestead to tide the stock over the snow season of the year. With regard to the classification of the land, I consider that is a fault, as the areas are too small. In the case of sheep-country a man should have sufficient to graze three thousand sheep, and in the case of dairying, about forty cows. In fixing the area the question of working-expenses and improvements should be taken into consideration. I believe that homestead privileges should be given in the cases I have referred to. As to the ballot system, I think a man should not be compelled to take up land which is unsuitable to the class of farming he wishes to follow. Regarding the question of loading lands for roads, &c., I think the present system is a mistaken one. What I would suggest in place of it is that an estimate should be given by competent engineers as to the amount required to road a block, and that the amount should be advanced by the Government, under the Government Loans to Local Bodies Act, to the local body where the land is situated, and should be expended by that body under the contract system, a special rate being struck and collected by the local body to pay the interest on the loan, in the same way as they do in the case of other loans handed over to them. If necessary the expenditure should be earmarked and spent under the supervision of a Government engineer, or else under a board formed from the settlers interested. If freehold is to be given to the settlers I think the present value should be the assessment for that purpose. I hold that the occupier and the Government in this matter really run in company, and according to the interest of each in the land the unimproved value should be divided accordingly. Then, there is this to be considered in reference to that matter, viz. : I might be the original occupier, but the property may have passed through two or three different hands, and, although I may not have the least idea that it is so, the present occupier may have paid both for the improvements and the unimproved value, and that fact should be taken into consideration. With regard to the working of the Advances to Settlers Department, it has been a good thing for all. No doubt it has given the settlers cheaper money, but it can be improved on in its application to the Crown leaseholder. He should be placed on the same footing as the freeholder by giving him three-fifths of the valuation, less the amount owing to the Government, or less the capital value when he took up the land. With regard to the position and condition of occupiers under the various tenures, there is dissatisfaction in this respect where the freehold is excluded. The areas are too small in many cases to enable a farmer to make a living. I am not in a position to say that there is any aggregation of large estates going on in this district, but there might be a couple of sections here and there to which that might apply. The Commission will know better than I do on that point. I have no experience as to the question of separate occupations. Under the land-tenures now in existence the lease in perpetuity seems to be the most favoured by the Government and its officials, for all the best lands are classed under that tenure, and a man who desires to obtain the freehold must take up inferior land or be forced to become an occupier under a tenure which is distasteful to him. If the revaluation clause by any means came into the land-tenure it would be worse than the worst class of Irish landlordism, for the reason that the more you improved your property the more you increased what is called the "unearned increment" or "unimproved value." Consequently you would be taxing your own industry, and I do not think any successful man would allow that. In my opinion, the improved value creates the unimproved value. There are certain things a settler can show as an improvement on his land. He has gone there and put up probably with the hardships of a bad road. He has to pack his tucker on his back and everything needed to work his farm, and you cannot put those things as an improvement on the property. Still, there it is, the man gets no allowance for the hardships he has had to put up with in getting that land into a state of productiveness, and so the only thing that will repay him is by giving him the unearned increment or what some people call the unimproved value. If you grant the freehold under the present valuations, all restrictions are done away with. The occupier will not growl at all, and so far as the loss to the revenue of the country is concerned I think that can be overcome. All the Government has to do is simply to take the capital value, turn it into a mortgage, and probably they will get a little more revenue out of it. They have the same security by turning the capital value into a mortgage.

4. You mean the Government if they allowed the freehold and got the money for the land would lend the money out?—No. Supposing my capital value is £5 an acre and I am paying interest on that—6s. Take that and turn it into a mortgage. Supposing I had 100 acres valued at £600, I would be quite willing to pay my 15s. in the pound and probably a little more.

5. You would pay the rent and call it interest?—Yes.

6. You would have the name of being a freeholder then?—Yes, I would have the name, and I should pay off the capital value on the land when I had the money. With regard to workmen's homes, I think that policy is a mistake. I believe the more you can take out of the city the more you will get into it. Instead of relieving the congestion it increases it, as it causes more of the rural population to congregate into the centres. I think if this money was expended in taking the surplus labour out of the cities and sending them to the country it would be better. You could take one of the large stations, cut it up, and put those people there as farmers and labourers, and you so relieve the surplus in the cities. I think if the Government were to do that they would be doing more good for the country and humanity. I believe if you took one man out of a house in Wellington you would have two looking after that particular house, and you would at once decrease the number of surplus workers in that centre.

7. With regard to the constitution of the Land Board, you think the Board should be done away with and the administration left entirely to the Commissioner and his Department?—I believe in the present system as long as practical men are put on the Board, but if you do not have

practical men on the Board, then I would do away with it altogether, for I cannot see the use of the Boards. There are very few Crown lands in the province at the present time, and I think the Commissioner and his officials should be able to deal with them, making the Minister responsible to the House.

8. The object of having a Board composed of various members is that you get men from all parts of the district who have a knowledge of the district, and there are many matters in regard to which, of course, the Commissioner is very much assisted by their advice. They are simply an advisory Board?—I admit that fact; but select practical men, and do not have two members of one or nearly the same family on the Board.

9. You are very decided about the freehold?—I am.

10. But you do not advise dispensing with the lease?—Not at all. I think that it is a step to the freehold.

11. You think there should be no restrictions in regard to cropping?—None.

12. Do you think it would be right in the case of rich lands in the South Island acquired under the Land for Settlements Act to leave the settlers free to take what they like out of the land?—Certainly. If the settler were a farmer he could not injure the soil, because he would very soon renew it.

13. Might it not be possible that he might crop a piece of rich land to death in a few years by keeping it in a high state of cultivation?—In that case it would be only right to stop him then.

14. Then, you would not do away with all restrictions?—I would provide for a certain amount of discretionary power.

15. Do you think the Government having entered into a contract with you and some thousands of people would be likely to break it, or the Legislature be likely to allow them to do so?—Not the Government of to-day, but that Government is not the Government of to-morrow, and you do not know what body might be at the head of the country on another occasion.

16. Do you think any British community would repudiate a contract?—Certainly not as between parties; but supposing I was a lessee, if I died is the contract not broken then to a certain extent.

17. No; it goes to your successor?—But it does not, for the very reason that he might have another 640 acres, and is thus debarred from taking up more land.

18. What are your views with regard to taking safeguards to prevent the aggregation of large estates?—We are against the aggregation of large estates, and I would like to see a law passed to prevent it. The land speculator is a greater drawback to genuine settlement than anything else, or than the aggregation of large estates. The owner of a large estate farms the land, but the speculator farms the occupier. I would like to see such a restriction enacted that if a man at any previous time held land under the Land for Settlements Act he should be debarred for ten years from again applying for land under the Government, the time to be counted from the date he sold or surrendered such land.

19. Would you limit the amount of freehold a man should hold?—Certainly, but I would give him sufficient to make a decent living. The areas at the present time are too small. Six hundred and forty acres of first-class land is too small, more especially in the case of sheep-country. Your classification is at fault also.

20. Sheep-country is generally called second-class country, is it not?—No. We have it here under the first class, 640 acres. We might run from a thousand to twelve hundred sheep on it, and we can make a living now out of it, but three or four years ago we could not do it. It took us all our time to make an existence.

21. *Mr. Anstey.*] Do you mean to say that the men on the Land Board now are not practical men?—I will not express an opinion.

22. It is almost a pity you do not do so, because that is one of the main questions we have to inquire into?—That is going into personalities.

23. Can you give any instance where the administration of the Land Board has been what it ought not to have been?—None whatever.

24. Then, I take it that the administration of the Land Board is now satisfactory?—I could not give an opinion on that point, because I am not a Crown tenant at the present time.

25. Have you any experience of the Land Board?—Yes.

26. Is it satisfactory as far as your experience goes?—Undoubtedly.

27. Are there any tenants leasing land from private owners in this district?—Yes.

28. Do you think it would be wise to apply the same principle to them that you advocate for the Crown tenants, that they should have the right to acquire the freehold of their holdings?—I do.

29. You think the law should be made universal, and that all tenants should be allowed to acquire the freehold?—I do.

30. With regard to cropping restrictions, you do not do much cropping in this neighbourhood?—No, but I have had a little experience elsewhere.

31. Where?—In the Home-country. I was born on a farm. I have had no experience of cropping in New Zealand.

32. *Mr. Johnston.*] Do you represent the Farmers' Union?—I do; the Pahiataua Branch.

33. Are you giving evidence on your own behalf only?—I was asked to represent the branch.

34. By resolution?—Yes.

JAMES MCCARDLE examined.

35. *The Chairman.*] What are you?—I am a settler at Pongaroa. I hold 400 acres—occupation with right of purchase. I have been there three years. I have been a Crown tenant for twenty years, and have held land under deferred payment and perpetual lease.

36. Which tenure do you prefer?—Deferred payment.

37. Are you here representing the Pongaroa settlers?—Yes. A public meeting was called, and the following resolutions passed: (1) "That the Land Commission be asked to visit Pongaroa and hold a sitting to take evidence." On behalf of the settlers I wish to enter a protest that the Commission has not visited our locality. This resolution was carried at the meeting, which was attended by about sixty-seven Crown tenants: "That this meeting of Crown tenants is in favour of the freehold tenure." Two members of that meeting voted against the resolution, but one who voted has informed me since that he was a bit hard of hearing and did not understand the resolution, and was really in favour of the option of the freehold. The third resolution is "That the Government have not fulfilled their contract in regard to the making of the roads in this district as promised at the drawing of the original associations." That promise was that the main roads would be metalled, and the by-roads formed. I have here the names of twelve gentlemen who heard the promise made. I need not give you the names. They were asked to attend the Commission if held in Pongaroa, but have not been able to come to Pahiataua on account of the time and distance. The fourth resolution is "That the administration of the Wellington Land Board has been unsatisfactory." Mr. McDonald was also appointed to give evidence at the Commission, and he is here. There are 356 Crown tenants in the district of Pongaroa, and, speaking for them and myself, I wish to say that one of the reasons why we want the freehold is that our interests in the land is about £4 10s., as against the Government's interest of £1 5s. per acre. The Land Boards, in the past have acted anything but justly in a great many cases, but whether wilfully or from want of knowledge I do not know. I should say, from want of knowledge. Here is one case: A man went on his section, felled 150 acres of bush, and put on some fencing improvements. His wife died. He had a family of four children, and he was given two months in which either to forfeit his section unconditionally or else reside. He went to the Commissioner of Crown Lands, and asked for permission to live with his family on a 60-acre freehold place he had twenty-three miles away, where his family lived for two years. He asked to be exempted from residence on the other section, but the Commissioner told him that if in two months' time he did not reside on the section in question it would be forfeited unconditionally.

38. How long ago was that?—Some years ago. I could give you the man's name privately. In another case a man asked for a transfer. The man he was transferring to was eligible to hold the land, and the man who was selling had complied with all conditions; therefore at law one would have thought he would have been able to get his transfer, but owing to a letter written by another resident in the locality the Land Board refused to grant the transfer of this settler. Another settler in there had his section forfeited. He wrote to the Commissioner of Crown Lands—this was some years ago—who replied that unless he paid his rent the section would be forfeited. He had over £300 of improvements and over half a year's rent in arrears. The settler did not receive the Commissioner's letter. He lived in an out-of-the-way place and did not receive the reply. In the meantime the Land Board said that because he had not been courteous enough to reply to the letter they would forfeit his section. The settler had meanwhile sent a cheque for his rent, and the Receiver of Land Revenue had the money in hand. In the meantime his section had been forfeited, but as soon as the Commissioner of Crown Lands became acquainted with the fact that the money had been sent he brought it before the Board, and they rescinded the forfeiture. Another settler was a contractor, or away on a contract. A bush-fire burnt his dwelling while he was away on this contract. The Land Board held a meeting, and the section was forfeited. As soon as the man heard his section had been forfeited he went home and said, "I will give you £200 for the interest in this section if you can get the Board to rescind the forfeiture." The Board decided that they could not rescind the forfeiture, and the section was put up on the morrow loaded with £110 improvements. Although this man had offered £200 for it, the man who owns it now actually got it in the ballot for £110. Another matter is that Crown tenants in arrears with their rent have had their names published in the public Press—the *New Zealand Times* and *Evening Post*—as though they were common criminals. In one case a settler was told that they would give him to the end of March to sell his stock and pay up the arrears of rent. This is very hard on a struggling settler dependent on the auctioneer for accommodation and the storekeeper for stores. Credit is one of the mainstays of a bush settler. Another settler wrote to the Land Board expostulating on the fact that his name was published in the Press, and the Land Board at their meeting read his letter out, and it was published on the same day. At the same time one of the members of the Board said, "If Mr. So-and-so paid his arrears he would save himself the trouble of having his name put in print."

39. *Mr. Johnston.*] I hope the names and dates connected with these accusations will be forthcoming, because it is a very serious matter to have these accusations made without there being some chance of repudiating them. Have you the names and the dates?—I will give you the names in every instance, but the dates I am unable to furnish, because these happened in years gone by, and it is hard to get the dates. I am not here to bring any charge against the members of the Land Board, but to criticize their administration generally. When the settlers passed that resolution they, of course, have to bring some evidence to show that their case is good.

40. *The Chairman.*] I think those cases date pretty far back?—Some of them are some years back, generally before the present Land Board were in office, but some have happened under the present Land Board as at present constituted. There is another matter in regard to which the original settlers in Pongaroa have a great hardship. All the Pongaroa was settled under the Special Settlements Act. A settler can take up any area up to 320 acres under that Act on the lease in perpetuity. These settlers have this to put up with: There is a man there who had 320 acres, and after taking up the section and doing certain improvements, he found he was charged £1 15s. an acre. His neighbours had to pay the same price. Some of the other settlers adjoining threw their allotments up. The Government revalued that land after it was forfeited, and instead of being put into the market at the same money they put it in at 17s. 6d. A man with the right of purchase can hold up to 2,000 acres, and that is the injustice that the original settlers in that district have to

put up with. The first settlers are restricted to 320 acres; they have the original valuation to pay and no right of purchase, but the people who go in for the sections that are forfeited get the land at a reduced price. This man was informed that he was allowed to hold only 320 acres of bush land, but his neighbour could take up 2,000 acres, and has the right of purchase, and gets the land for half the price. There have been cases also where Crown tenants have had to take cases to the Supreme Court to prove that the construction that the Land Board put on their applications was wrong, and they have beaten the Land Board, but at great expense to themselves. There was one case which occurred at Feilding where a man had to take his case to the Supreme Court because the Land Board insisted that his wife, family, and himself should live on the land. The Judge ruled that his wife and family need not live on the land with him.

41. *Mr. Johnston.*] What was the name?—Thomson, Feilding.

42. *The Chairman.*] Do you think the present constitution of Land Boards is satisfactory, or should it be altered?—I think it is a good system; but, looking at the interest of the Crown tenants in the land—in the case of bush country it is three times as great as the Government's interest—they should have equal representation on the Board with the Government. The Board should be partly appointed by the Crown tenants and partly by the Government. In the past the members of the Land Board have been put there because the Minister of Lands may have a pet theory of his own and wished that any member of the Land Board who was appointed by him should hold the same opinions.

43. On what franchise would you elect the members of the Board?—I think the election should be by the Crown tenants themselves. But we do not want the whole of the Board.

44. On what franchise would you elect them?—All Crown tenants to have a vote.

45. Are the residence conditions too restrictive?—Yes, I think they are. When a road is made to the section it is time enough to expect a man to take his wife and family on to that section. If a man goes on to a bush section he must employ labour to work that section and to secure his full improvements, but when he gets the road it is time enough for the Board to insist on his residing there.

46. The term "road" is a very wide one?—I mean a formed road—a dray-road.

47. Would you expect it to be metalled?—No.

48. Are there any other restrictions that Crown tenants suffer under?—I think the cropping restrictions should hardly apply to bush land. At present a business man in town is absolutely debarred from taking up bush land or Crown land, because he must reside on it. Under the old perpetual lease a business man could put on double the improvements, and he was allowed to hold the lease. It was a good thing, because it was the means of helping men on adjoining sections who wanted work. Labour in the locality got employment, which was a big help to settlers who were occupying adjoining sections.

49. You think a town resident should be allowed to take up land on non-residence conditions, but with double improvements?—Yes.

50. What is your opinion of the working of the ballot system?—I think it is a fair one, but a good many are unfortunate. I have drawn myself, but have not got any land.

51. What about the loading of lands for roads?—In the Pongaroa the Government charge was 5s. per acre for roads. In the case of my section there is £100 loading, and I paid £45 for rates, but it is impossible to get to that section except on horseback. In bringing sheep out to shear them I lost forty-three on the road through the mud.

52. Was the money actually expended?—I think so. We contracted with the Government that the main roads should be metalled and the by-roads formed. They had not completed a single road, but are compelling the County Council to take over the roads.

53. Was the money badly expended?—I believe a contractor would do the work as it has been done in the past for a good deal less money. It was done under the co-operative system. They went at it in an amateurish way, but since Mr. Nathan has been placed in charge the money has been expended to greater advantage.

54. Has there been any increase in the value of leaseholds in your district?—Very little. I think if you put the improvements made by the tenants against the value which you get for them the settlers throughout the district would be out of pocket.

55. Have you ever had any experience of the advances to settlers?—I have met other tenants who have applied for advances, and in one instance a man with 400 acres was only offered £200 on it. Since then he has borrowed £2 an acre on the same block. I have never applied myself for a loan from them. In the case I refer to where they offered the man 10s. an acre it may have been that they were short of funds at the time.

56. Is there any aggregation of large estates here?—No. In the old days there was one large estate here—the Balfour Estate—but it is being sold by the owners themselves. They have sold 1,000 acres, and I think they held 5,000 acres originally.

57. Is there any other matter you wish to bring up?—Yes; the Rakaunui settlers, which is part of Pongaroa, have sent me the following letter which I will read to the Commission:—

"Mr. James McCardle, Pahiatua.

Rakaunui, 9th June, 1905.

"Crown tenants here are unanimous in desire for option of freehold at original valuation. The cost of improvements is greatly underestimated by Valuation Department, no allowance being made for the cost of resowing and damage caused by bush-fires, and re-erection of fences until timber is cleared and land finished slipping. Tenants favour the occupation-with-right-of-purchase system. Also object to action of Government in loading land for roading purposes and not fulfilling their contract; thereby isolating us in winter and causing us to raise heavy rates for road construction and metalling, which we can ill afford. Great disappointment is felt at the Commission not sitting in Pongaroa. The mail is closing or we would say much more." [Signed by fourteen Crown tenants.]

58. *Mr. Paul.*] When was this Pongaroa Block opened?—About twelve years ago.
59. What Commissioner made the promise about the roads?—*Mr. Baker.*
60. You say you are not sure whether the whole of the loading has been spent or not?—I am not sure. I have never gone into the figures.
61. Did the settlers do the roadwork?—Yes; they did a lot of work on the roads.
62. Have you had any further experience of closer settlement under the land-for-settlements policy further south?—No.
63. You confine your evidence to the conditions of bush settlement?—Yes.
64. In your opinion, was the deferred-payment system a better one than the occupation with right of purchase?—I do not think it was really better, excepting that a man could purchase as soon as he had done his improvements, while under the occupation with right of purchase he must wait ten years whether he does his improvements or not. I think the Government should encourage all settlers to get their improvements fully completed. Then the Land Board and Ranger would be done with the Crown tenant, and the latter ought to be able to demand his freehold. Under the present position he has to wait ten years before he can make his place his freehold, but if he does the improvements in five years he ought to be able to get it.
65. Out of these sixty-seven settlers who were present at your meeting, how many were lease-in-perpetuity holders?—I could not say, but there are 356 Crown tenants in Pongaroa.
66. What was the total number of settlers on the block?—Three hundred and fifty-six as near as I can ascertain.
67. Has the administration of the Wellington Land Board ever been satisfactory?—I think it never will be until you get practical men on the Board. In the past it has not been satisfactory.
68. It has never been satisfactory?—No.
69. How many members of the present Board do you think are practical men?—There are no men on the Board who have gone through what the Crown tenants in this district have gone through.
70. When you say there is a section of the Wellington Land Board who are not practical men, you mean they have never gone through the vicissitudes of the bush settlers?—That is so.
71. Which do you consider the most important question to the Pongaroa Settlement—roads or tenure?—Roads.
72. The complaint of the settlers is that the promises in respect to roads have not been kept?—Yes; and the tenants have, naturally, grave doubts about the Government. When the Government has broken a promise with respect to roads the settlers begin to feel that the next thing will be that their lease will be interfered with.
73. Could you give the Commission the exact nature of the promise?—There are twelve names to the document, and there are persons present who heard the promise made. One witness will be able to say that the reply was the road would be carried out before he was ready to go on the land.
74. There could be no misconception that a certain amount of money had been set apart for loading and that would be expended?—No.
75. *Mr. Anstey.*] How much of the road to Pongaroa is metalled?—Some of it has been done by the county and some by the Government. Four miles have not been metalled.
76. Does the promise extend to all the main roads?—It is just as much a main road to Masterton as it is to Pahiataua.
77. A main road is not a main road until it is declared to be one?—Then, I do not think there are any main roads in this locality.
78. If there are no main roads, then, there is no broken promise?—I say there are main roads. The road from Pahiataua to Pongaroa is a main road, and there are other main roads.
79. How much of these by-roads is formed?—There are a good many miles formed. In the case of one road the settlers raised a loan of £1,800 under the Loans to Local Bodies Act, and I am paying £5 2s. a year on that special loan. We are doing that out of our own pockets. We are borrowing the money at 3½ per cent., and repaying it off in forty-one years. When we applied to the Government to form the road so that we might metal it they would not give us one shilling.
80. Have there been any grants spent there?—Yes; but I could not state the amount—probably some thousands.
81. Has all the amount of loading been expended?—Yes.
82. And probably a lot more?—Probably.
83. Can you give us any scheme whereby your roads can be kept in proper order?—If the Government will give us a large enough grant it would do. I think there should be some scheme by which one-half the rent paid to the Government should go as a sinking fund towards the construction and maintenance of the roads. If that were done the roads would be constructed in a short time, instead of, as at present, dragging along year after year. There are women and children living on some of the sections in these back blocks who are almost living uncivilised lives. I reckon that this is one of the greatest hardships the bush settler and his family have to put up with.
84. Do you think it would be wise on the part of the Government to provide a suitable subsidy on the rates raised locally?—I think the proper thing would be that the money ought to come out of the rent in the first place. When you take up a bush section there is, perhaps, 5s. an acre of loading for roads. When we took up our land we thought the Government would make the roads, as promised. Now I am paying £15 a year for roads that I understood the Government were going to construct.
85. The amount of loading would not put the roads in order?—No; I think the loading is a mistake. The bush land is not producing anything, and in order to make it produce something

you must have a road. It would pay the Government to make the roads, because it would mean an increase in our exports, and it would take some of the surplus labour from the labour-market. I think it would be better if half the rent were taken and devoted to the making of roads in the way I have stated.

86. Would not that simply be loading? Would it not be much better to borrow the necessary money rather than load the land with an inadequate sum and trust to Providence for the rest?—I think it would be much better if the work could be done straight away, and thus give access to the land, instead of spending the money in small sums as at present.

87. *Mr. Johnston.*] Would you give the tenants under the Land for Settlements Act the freehold?—I do not know that they have much to complain of. At any rate, they have less to complain of than the bush settlers.

88. There are 365 Crown tenants in your block, and sixty-seven attended the meeting: were the others represented by proxies?—The roads were too bad for the others to attend.

89. Was that meeting held under the auspices of the Farmers' Union?—No; it was a meeting of Crown tenants.

90. In the bush settlements are there not a lot of improvements that are not visible when a valuation is made?—Yes.

91. You say you would give the certificate of title to a tenant when his improvements were completed, instead of keeping him for ten years: would not that lead to speculation?—After all farming is only speculation, and a man who goes into a place in the bush does not go there unless he thinks he is going to make something out of it.

92. Do you not think it would be against the occupation of the land by genuine settlers?—I do not think so—if you gave them five years. A man with cash can buy the land, and as soon as his improvements are done he gets his title—perhaps in six months. It is the man who has the cash who is the speculator.

93. Can settlers get as much money on mortgage privately as the Advances to Settlers Department will give them?—They can get more.

94. What are your rates per acre?—1d. in the pound.

95. What are your total rates per acre?—I am paying 2d. in the pound, and my valuation is something like £1,300.

96. Are the settlers who were charged £1 15s. for their land capitalised still paying that?—Yes.

97. And the other settlers alongside them are still paying 17s. 6d.?—Yes.

98. Have representations been made to the Government about it?—We were waiting for this Commission. I cannot say whether other representations have been made. I think, however, the Government have been approached in past years, but it takes a long time to get anything done.

99. What did the Land Board say?—The Land Board could not rectify it.

100. Was not your father on the Land Board for a long time?—They put him off because he was too much in favour of the freehold, I think.

101. There is nothing to justify the great difference in the charges?—No.

102. Did the settlers petition for a reduction at all?—Some settlers did, and they were informed that the rule was they must throw their sections up for a year, and if at the end of that time no one else took them up they were allowed to take them up themselves.

103. Would you be in favour of the freehold being given to tenants on education reserve and other endowments?—I have often thought that a man who took up a section on an education reserve was a bit foolish. I think they ought to get more valuation for improvements; and I think that settlers taking up bush sections should have the right of the freehold, because the interest of those settlers in the land is much greater than the original value of the land.

104. *Mr. McCutchan.*] In reference to the sections which were forfeited, can you say why the optional tenure was not given in the first place?—The original tenants who were under the Special Settlements Act sent in their names to the Minister of Lands. Subsequently the land was allowed to be taken up so long as the settlers did not hold more than a certain area.

105. The hardship is that when the sections were forfeited the incoming tenant had a choice of tenure?—Yes.

106. With reference to the road question, do you think the confusion that exists as to what is a main road in this district is due to the faulty classification of roads?—Yes.

107. Are you acquainted with the Public Works Act?—No.

108. I suppose you are aware that a road becomes a county road as soon as the surveyor puts the pegs in?—Yes.

109. Do you think that is right?—No.

110. Do you think that a road should remain a Government road until the Government expenditure upon it ceases?—Yes.

111. And then should be vested in the County Council by *Gazette* notice?—Yes. We would be satisfied if the Government formed the by-roads and metalled the main roads.

112. You advocate that the Government should bring the roads up to that condition before handing them over?—Yes; the Government, above all, should keep the promise they have made.

113. Why do you prefer the deferred-payment system to the right of purchase?—I think ten years is too long to keep a man waiting. A man can borrow money to much better advantage if he can get his deeds and hand them over as security.

114. Do you not think that would be playing into the hands of the man with money?—A man with money at the present time can take up land for cash.

115. Is not the proper way to rectify that evil to make the cash man fulfil residence conditions the same as the leaseholder?—To my knowledge there has been little or no speculation in land from the back of Paketere Range—very little buying out or selling to advantage.

116. You used the argument that because the tenant has greater interest in the improvements, as against the Government's interest, that he should have the right of purchase: does that lessen the claim of the Government to retain the position it now occupies?—The tenant's interest is sometimes more than three times that of the State. My opinion is that after five years if the tenant fulfilled the conditions he should have the right of acquiring the freehold, so that he would become a free and independent man.

117. Do you think the Land Board should exercise any supervision over the consideration given after a section is sold?—The Land Board's duty should be to help the tenant who is unable to help himself. If a Crown tenant is unable to comply with the conditions the Land Board should say to him, "There is no good you trying to go on, and as soon as you can get a man to buy you out we will give you a transfer."

118. You complain of publicity in connection with defaulters: is there publicity in connection with mortgages?—No.

119. You think no good purpose is served by publishing the names of tenants in arrears with their rent?—That is so.

120. You say that it militates very much against the settler's interest in lowering his credit?—Yes.

121. In regard to the £1,800 which the settlers raised under the Loans to Local Bodies Act, was that raised to metal a portion of the road which the Government promised to metal when the land was taken up?—Yes.

122. Is there any difference in the value of, or inquiry for, occupation-with-right-of-purchase sections or lease-in-perpetuity sections in this district?—Yes.

123. Which is looked upon with the most favour?—The occupation with right of purchase.

124. Can you say if private money-lenders will lend more on occupation-with-right-of-purchase sections than on lease-in-perpetuity sections?—Yes.

125. Do you know if the Advances to Settlers Department discriminates between occupation with right of purchase and lease in perpetuity?—I have not heard of them doing so.

JAMES DONALD examined.

126. *The Chairman.*] What are you?—I am a settler at Pongaroa. I hold 20 acres under lease in perpetuity and 259 acres under occupation with right of purchase. I have come here with Mr. McCardle to give evidence before the Commission. I have heard what he said, and, generally speaking, I indorse his statements. There was one thing that I do not think he was quite right in. Instead of the land being loaded with 5s. an acre for roading I am informed it was 6s. I was not at the original meeting. The meeting was called at Pongaroa. Sixty-seven settlers were present, and they were nearly unanimous in favour of the freehold, and Mr. McCardle, Mr. Nelson, and myself were appointed delegates to attend and give evidence before the Commission. As I said, I indorse nearly everything Mr. McCardle has said, but I do not think he made enough of the advances-to-settlers question. I might mention a case in point: A friend of mine had three hundred pounds' worth of improvements on his section—a 20-acre section—and his house was insured for £130. He applied for an advance of £150, and paid the usual valuation fee of one guinea to the Department. A valuation of the property was made, and I believe it was satisfactory. The Department, however, only agreed to let him have £90, and then they wrote to the insurance agent, telling him to see the settler and say he would have to insure for £150 more before they would advance him the £90. He wanted the money at the time, and he had to take the £90. His interest in the section was £300, and the interest of the Government was only £40. I do not consider that fair. Some months ago we saw by the newspapers that the Premier had announced that it was the intention to advance up to three-fifths of the settlers' interest in the case of Crown tenants, and this settler wrote to the Department about it. A reply was received stating that if he sent in an application he would have to forward another fee of 10s. 6d. and then his application would be considered. The Department had already valued the property and wanted him to pay another fee for a fresh valuation, and they added that whether they advanced him 50 per cent. on improvements was a matter entirely at the discretion of the Board. In respect to the freehold, the settlers are unanimous, or nearly so, in favour of it, and I consider that any Crown tenant who has any sense would approve of the right of the freehold being given. One reason is this: that there is a chance of a Fair Rent Bill being passed. Some people do not believe that the Government will alter the present tenure or increase the rents, but I understand that one of the ablest solicitors in New Zealand has given his opinion that if the Fair Rent Bill is passed the Government could revalue a holding every twelve months, and we do not doubt but they would. The present party in power might not do so, but we do not know who may come into power after them. We want security of tenure, and I think the most secure tenure you can get is the freehold, although it is not always secure. I could mention other cases to show that the occupation with right of purchase is the better tenure of the two.

127. Have you had any personal experience of the Advances to Settlers Department?—No.

128. *Mr. Paul.*] What are the legal charges for a loan from the Advances to Settlers Department as compared with a loan from a mortgage company?—I have not had personal experience myself, but in the case of a neighbour of mine it cost him £3-odd to get £97.

129. What would it cost him to get £450 from a private firm?—£8, I think.

130. What was the name of the solicitor who said that the Fair Rent Bill would be retroactive in its effect?—I think it was Sir Robert Stout. I have that opinion referred to in print here.

131. On glancing at the printed slip I see it is a reference made in a letter written by some one else?—I do not think the writer would say anything that is not true.

132. You have a good road to Pongaroa for most of the year?—We have in the summer-time, but from this time on there is six miles of road that is nearly unfit for wheel traffic.

133. Does the mail-coach go through to Pongaroa regularly during the winter months?—No. I do not think the coach has gone through for the last month.

134. What do you suggest would be the proper way to get the road done?—The proper way would have been, in the first place, for the Government to have kept its promise to form and metal the main roads and to form the by-roads.

135. Where could they get the money to do it with?—They loaded the land for the purpose.

136. Is 6s. an acre enough for the purpose?—It depends upon who has the spending of the money. I think that 6s. would have gone a long way towards it.

137. What scheme do you propose for completing the metalling of these main roads?—I propose that the settlers should raise a loan and that the Government should give them £1 for £1.

138. Would the settlers at Pongaroa be prepared to rate themselves sufficiently, together with the subsidy of £1 for £1 from the Government, to complete this road?—We are going to call a meeting to see if we can do so. I and some others would agree to it. I cannot speak for the whole district, but I think they would be in favour of it. We cannot get our sheep out in the winter—I am referring to fat sheep—without the greatest trouble, and buyers will not take them owing to their being so knocked about.

139. *Mr. Johnston.*] What is your rental?—On the occupation with right of purchase 5 per cent. on £1 5s. an acre (£7 5s. the half-year), and in the case of the lease-in-perpetuity section the rent is 4 per cent. on £1 12s. an acre.

140. Could you have taken up your land if it had been freehold?—I could have taken it up under deferred payment or occupation with right of purchase. I was in a position to purchase it clean out at the time.

141. *Mr. McCutchan.*] There seems to be a good deal of dissatisfaction with the loading of the land for roads, and the question is how to remove that dissatisfaction. If the settlers were allowed to pay off the amount at 5 per cent. the principal and interest would be extinguished in twenty-six years: do you think that would be a good method?—I think it would be a very good thing. It seems very feasible.

142. Have you carefully looked at that opinion of Sir Robert Stout's?—No; I only got it from a neighbour yesterday morning.

143. Reading the opinion hastily and reading the letter it seems to me that there is quite an erroneous construction put on the opinion. There is nothing in that opinion as far as I have read it to show that any Fair Rent Bill would have a retroactive effect. Do you think that any Government bringing in a Fair Rent Bill to periodically revalue other leases to be issued in the future or to have a retroactive effect could retain power for any continued period?—Yes, very likely; because the people who vote for a Government that would do that are landless people, and they are in a majority and therefore can drive the Government.

144. We have a Government in power who have brought in land legislation, and they are themselves administering their own legislation: do you think it is likely that such a Government would be so foolish as to bring in so radical a change as mentioned in that Fair Rent Bill?—You cannot say what will be done in the future, and perhaps at no far distant date.

145. You do not fear the *bona fides* of the present Government with regard to the tenants?—No.

146. You fear that the Trades and Labour Council would be the power that would carry that into effect?—Certainly.

147. Do you think they have sufficient power to do that?—They can put in their own men, and if the present Government will not do it they will put another Government in that will.

148. The settlers would resist any such movement, and you must also recollect that there is a very large body of honest people outside of the settlers who would oppose such a change just as strenuously as the settlers themselves. In the face of that, do you think that any portion of the community could carry such a proposal into effect?—There are so many people in the large centres who would not believe if told the hardships that the settlers in the back blocks suffer under, and public opinion in the towns carries them with it, and there is no doubt that a great many people will vote because their neighbour votes in a particular way.

149. *Mr. Paul.*] Could such a party injure the settler without injuring the towns: is not there an independence between the settler and the towns, and if you injure one is not the other bound to feel it?—Certainly.

GEORGE BAILLIE examined.

150. *The Chairman.*] What are you?—I am a farmer, and I come from Kumeroa, where I have 79 acres, for which I pay £63 per annum. I am dairying. I have been there about three years. The settlement is getting on fairly well. It is about thirteen miles from here.

151. What have you to say?—There was a meeting of settlers held at Kumeroa, and this statement of their views was agreed to, and signed by ten settlers: "We, the undersigned settlers of the Kumeroa Settlement, hereby wish to express our views on the various subjects herein enumerated:—(1.) The constitution of Land Boards: We are of opinion that at least one member of each Land Board should be elected from among Crown tenants by ballot at the general elections; and, further, that all members of Land Boards, other than the Commissioner, should belong to the farming community. (2.) That we hereby petition the Government to grant the option of right of purchase on all land held by Crown tenants on the original value—*i.e.*, the value on which rents are now paid. (3.) That the residential clauses as now existing should be so altered as to allow a man to take up more land at any future time up to the recognised limit of 640 acres of first-class or 2,000 acres of second-class land, whether contiguous to his present holding or not. (4.) That the restrictions on cropping at present applied to special settlements be greatly modified. (5.) That exception be taken to the

present system of grouping of sections for the purpose of balloting. (6.) We are not in favour of any lands being loaded for the purpose of roading unless such roads be completed before the lands be disposed of. (7.) That any additional value the land in the Kumeroa Settlement may have is due to improvements made by the settlers themselves. (8.) We are of opinion that half the value of improvements will be a fair advance to make to all settlers requiring monetary assistance. (9.) We are of the opinion that a duplicate of lease should be issued free of charge at the time that the lease between the Crown and its tenants is signed."

152. *Mr. Paul.*] There is a proposal now to allow the Advances to Settlers to advance up to three-fifths of a man's improvements and to half of his goodwill: do you approve of that?—Yes.

153. Then, why do you say in your statement that half the value of improvements would be a fair advance to make?—The meeting carried that.

154. You do not recognise that the landless and the citizens in the towns have a right to a voice in the Land Board?—I do not think they know anything about land.

155. The land is the national estate, and surely every man in the country has a right to say how it is to be disposed of and managed?—Yes; but sometimes it is to the disadvantage of the man who understands farming.

156. If three of the members of the Land Board were farmers, one of whom was a Crown tenant, and a fool comes in as a fourth member, would not the other three outvote him every time?—Yes.

157. There is no harm, then, in having a man on the Land Board who does not understand farming?—No.

JAMES CAROLAN examined.

158. *The Chairman.*] What are you?—I am a farmer with 250 acres under lease in perpetuity in the Pongaroa Settlement. I pay £12 10s. per annum rent. I have been there eleven years. I agree generally with what the other settlers from Pongaroa have said. I think that the Crown tenants ought to have the right to appoint two out of the five members of the Land Board. One matter that I would like to bring before the Commission is that of transfers. Cases have occurred, and I have seen it in cold print, where the Land Board has refused to pass a transfer because they thought the tenant was getting too much for his improvements. I think the man is entitled to get all the money he can, and that the increment belongs to him. The residential conditions are very unjustly enforced. I know of one case where a man has an educational lease, on which he has a cottage, and has effected other improvements. The section next to him, which is under the Land Board on the village system, was offered to him, and he secured it and got a transfer. Shortly afterwards he got notice to reside on the new section, and they actually tried to compel him to remove his house on to it, although it was only situated about 20 chains from it. I brought the case under the notice of the Hon. Mr. Hall-Jones, who saw the place, and said he would lay the matter before the Minister of Lands and see if there could not be some redress. I have not heard how things have got on since, but the man still lives on the education leasehold. We pay on a 5s. or 6s. per acre loading, and we also pay 1d. in the pound to the local body, and we get very little for either. We were led to believe that the Government would make the roads and metal the main road, but before they were completed they had them gazetted and handed them over to the local body. There is about twelve miles of the main Pongaroa Road in the Akitio County, and the Government have metalled about seven miles; but in a great many places they did not put in sufficient culverts, and the water washed away the metal. The County Council, of which I am a member, considered they had no redress, and took over the road after much hesitation. A little later the Government gazetted the Alfredton and Weber Road as a county road, and the Council, reckoning that they had not much chance in fighting the Government, have taken it over. In this case again sufficient culverts were not put in, and slips on the road and banks have occurred in consequence. The Government has also gazetted other roads which the County Council should never have taken over, but they wrote to the Department, but could get no redress. I suggest that the Government should give us a grant to make these main roads, and the settlers contribute by rate to help to metal them. We have to get in our stores in March or April before the roads break up for the winter, and that means an outlay of £50 or £100 for a man with a family. Not only that, but he has to pay more for his goods than the man outside pays, and his cost of living is directly increased by the fact of the bad roads. He is also unable to take advantage of fluctuating markets, through not being able to get his stock out. There is about forty-five miles of main roads in our county, of which about eleven is metalled. About eight miles of that was done by the Government, but of course it got out of repair. There is only one metal-pit in the county of any value, and burned papa is used as a substitute. That acts well where the country is dry, but in places where it is not exposed to the weather it gets very soft in the winter-time. It costs about 7s. per yard for metalling with papa. I think that the Government should make and maintain the main roads out of the general revenue, because a great many people outside ratepayers derive a great benefit from them in travelling and in the carrying-on of their businesses. In regard to the by-roads, which only serve the people residing on them practically, I think they should be metalled out of loans raised by the settlers. On main roads, where it costs £560 a mile, it is difficult for the settler to do it.

159. *Mr. Paul.*] Is the present method of piecemeal construction inimical to the people?—Very little of it is done now, but in the past it was piecemeal and did not give value for the expenditure.

160. You think a more progressive policy should be pursued in the making of roads?—Yes.

161. What rebate do you get on your rent for prompt payment?—10 per cent.

162. *Mr. Anstey.*] Do you know anything about the promise to the Pongaroa settlers for the opening of the road?—I understood from the start that that promise was made. I was not there.

163. What constitutes a main road?—A road leading between two recognised centres.
164. It is not a main road until it is declared a main road?—That is so. But these roads were handed over to the County Council and declared main roads.
165. When were they gazetted?—Some were gazetted twelve months ago, and others six months ago.
166. The promise only referred to main roads?—It would be a quibble to get out of it.
167. The promise could be held to refer to only one main road?—I always understood that there were to be two main roads.
168. Was there a promise?—I cannot say; I have only heard so.
169. Are you rated on the capital or unimproved value?—On both. We have taken a poll lately, and we are to be rated on the unimproved value. We do not believe in taxing industry. We do not know how it will pan out.
170. What has been your total rate in the pound?—1d. on the capital value.
171. It will be higher on the unimproved?—Very likely.
172. You said that the cost of burning papa was 7s. a yard. We were given to understand that you were doing it cheaper?—It costs 4s. 6d. or 5s. to burn it, but the expense of putting it on the road brings it up to 7s.
173. You said that the main roads should be formed and maintained out of general revenue: would you apply that to all main roads all over the colony?—Yes.
174. Would you include main streets in the cities?—Except where corporations or private companies put down tramways, and they should be liable for a portion of expenditure.
175. Do you not think that would be rather a large order for the Government?—Yes.
176. Do you not think the local bodies could do it much cheaper?—Yes; but the Government should give the money, and the taxation would bear more equally all over.
177. Do you think it a wise thing to get Government grants to assist local bodies?—Yes.
178. Do you think that each of the local bodies would get fair treatment?—There might be room for improvement in many cases.
179. Do you not think that Government grants depend at times on political influence?—Things are not always what they appear, but it does appear that that is sometimes the case.
180. Do you not think it would be better to get substantial subsidies on your rates than to depend on Government grants, which are more or less erratic?—Yes.
181. Could you do without grants, then?—No, I do not think we could. There are some things of an urgent nature that may require a grant at any time.
182. *Mr. Johnston.*] Did you anticipate a change in the tenure to freehold after you took up this section?—No.
183. You were satisfied when you took it up?—I was satisfied as far as I knew it. I thought I could give it up if I wanted to. The Board, it appears to me, claims that the increment belongs to the Crown.
184. How do they claim it?—I have known instances were men tried to transfer sections and the Board refused to sanction it because the price being given for the improvements was too high.
185. Do you not think that is a just thing to do in the interests of the country? Have you ever known cases where land was bought at too high a price and the Government has had to reduce the rent?—Yes.
186. Do you not think the Board is acting in the same way when they refuse transfers because they consider the amount being given for the goodwill is too high and that the man would not be able to pay the rent after paying so much capital away?—Where two people agree to pay a certain price for a right in a section, and the person buying has not more land than he is legally entitled to, the Board has got no right to interfere.
187. Supposing a man is not paying more than the land is worth, do you not think the Board is justified in refusing the transfer?—No; it is a matter of business, and the Board should have no jurisdiction over it.
188. The Board should take anybody has a tenant, and if he does not pay the rent they could put him out?—I suppose they would.
189. Why should a settler on a by-road be made to maintain his road while a settler on the main road does not maintain his? Is that just?—The Government should maintain the main roads.
190. *Mr. McCutchan.*] Seeing that the tenant's interest in the section is so much greater than that of the State, do you think that the interest of the State is jeopardized at all no matter what passes between the vendor and the purchaser?—No, I do not.
191. You think that the Land Board's supervision over what passes in the transfer of these sections should cease?—Yes.
192. Do you think that a man who holds a section under any tenure whatever which is too small to enable him to make a living should be allowed to take up another section and be exempt from residence on it?—Yes; subject to the discretion of the Land Board.
193. Is the papa convenient to the road in your county?—Yes.
194. Is the firewood convenient?—They have to cart in some places.
195. What time does it take to burn the papa from the time the fires are lit?—Three or four days burns it, and it requires a week to cool it afterwards.
196. What is the length of the Makuri to Pongaroa Road in your district?—Seventeen miles.
197. Do you know how much has been spent on that road?—No.

EDWARD JOHNS examined.

198. *The Chairman.*] What are you?—I am a farmer holding 200 acres under lease in perpetuity, for which I am paying £12 a year. It is at Puketoi, in the Pongaroa district. I indorse most of the evidence that has been given by the Pongaroa settlers, but I would like to make some

explanation. I think that farmers ought to have more say in regard to Land Boards, and I think they should be allowed to elect three members, the Government to nominate the fourth one. The Government own the bush lands, but they have got very little interest in them, because we have practically made the roads so far as they are made, and also improved the land. The Government have not got a third interest.

199. What is your opinion as to tenure?—I think the lease in perpetuity is a great injustice to men like myself and others who went out into the dense bush sixty miles from a railway. We should have the right of the freehold, which we have never had, whereas a forfeited or surrender section can be taken up with the right of purchase. My neighbour has the right to purchase his section, whilst I, who am one of the original settlers, cannot. I think there should be residence conditions, because it would be against the establishment of schools and creameries if outsiders were allowed to hold land. This is, of course, provided there is fair access to the land.

200. Are there any other restrictions that press on the settlers?—Yes. I knew a man who felled and grassed 94 acres of bush and who hanged himself, and all the widow and orphans received was £80. We are too much under the control of the Land Board. The improvements on this section that I speak of were valued at £160, by, I suppose, the Ranger, and the section was first gazetted with improvements to the value of £150, but they afterwards brought it back to £80, which was all the widow and family got.

201. No one took it up at £150?—No.

202. After a time the improvements depreciated?—No, they did not. I am speaking of the actual improvements at the time it was sold to the incoming tenant, and he had the right of freehold, which Chapman had not.

203. The Board tried to get £150 for the widow to begin with?—Yes.

204. Have you any knowledge of loading for roads?—Yes. A man in the district with 100 acres pays £1 a year, and he has to pay that for 999 years. A man with 200 acres pays just short of £2,000, which is ample to make the road to his place. Thousands of pounds have been spent out there, but the money was only squandered.

205. Have you had any experience of the Advances to Settlers Department?—Yes; it is a very good institution, but they do not advance sufficient. The Act says that we should get half the value of our improvements, but we cannot get that amount. The valuer did not value me at anything like the amount that I am on the rate roll for. With regard to the promise by Mr. Baker, I wish to say that we made a distinct bargain with Mr. Baker. He offered us the option of the Government making the roads for 5s. an acre or making them ourselves. We accepted the Government's offer to make the roads for 5s. an acre.

206. Was it understood that he promised that there would be metalled roads?—Yes, metalled roads.

207. Did Mr. Baker say it was to be a metalled road?—Yes.

208. *Mr. Paul.*] How many settlers could buy the freehold if they had the option to do so?—I believe I could. Some one has been round and told my wife that they would advance the money for it.

209. You would not be buying the freehold if you borrowed money?—My wife would be more secure at my death.

210. It would be bought with borrowed money?—That does not signify at all. I could sell my stock and rent my grass and do it that way. I would like to say something about the high price of land. One man in Pongaroa took up his land before we went there at 10s. an acre for cash, and we pay £1 an acre and 5s. loading for roads.

211. *Mr. Johnston.*] How many lease-in-perpetuity surrendered sections have you known put up under occupation-with-right-of-purchase system?—There are only nine original settlers out of fifty in the Masterton Reform No. 2.

212. Who was it told your wife you could have the money for freehold?—She did not tell me, but some one did.

213. Has anybody been round telling the settlers to agitate for the freehold?—No. This was years ago. It might be six years ago.

214. But you have only had the section four years?—Twelve years. I have been out there over ten years.

215. Why did you put the section in her name?—The section is not in her name; it is in my name.

216. *Mr. McCutchan.*] At the time Chapman committed suicide was his family living on this section?—No. That was the one thing that worried him. His wife would not go out to reside there, because there were no roads or a school. He asked me if I thought the Land Board would compel him to reside on his sections, and I said, "Yes." He seemed quite downhearted about it, and the next thing I had heard that he had hung himself.

217. The Land Board conserved the widow's interest inasmuch as they put her under a better tenure than he held it under—that is, the occupation with right of purchase. Do you not think they acted very fairly towards the widow?—No. If the Land Board had allowed the widow to dispose of the section by giving her the freehold she would have got the £150.

218. Was there anything to prevent the widow letting the section?—I do not know.

219. Did Mr. Chapman desire to let the land?—I could not tell you.

220. Do you not think there is a great weakness in your case when you do not know the facts?—I live opposite the section, but I do not inquire into Mrs. Chapman's business.

221. Were the residence conditions at the time Chapman committed suicide being complied with?—No.

222. Did the Land Board insist on selling the section?—They must have done, because they sent a letter to the widow, asking what she intended to do, very soon after the man was dead.

ROBERT SMITH examined.

223. *The Chairman.*] What are you?—A settler holding 421 acres of freehold and a Native lease of 100 acres. I have held it thirteen years. I represent the settlers in a part of the McKenzie Block, the Mangahau. I represent all those who are under the lease in perpetuity. I represent that part of the district in the Pahiatua County Council. With regard to land-tenure, they are all of one opinion: they want the option of taking up land either on the freehold, lease in perpetuity, or perpetual lease with the right of purchase. The settlers there are engaged in dairying, and are fairly successful. They have a feeling of insecurity in regard to the lease in perpetuity, but if that feeling were removed they would be satisfied. There is a great deal of trouble about the road question, but I do not think we can get much redress. The loading is a great grievance. In seven places in the riding I represent the loading was kept, and the settlers have to continue the payment of it, but it is a moral certainty that they will not get the use of the money. I do not think the loading could have been meant to make the roads, for any one with experience in bush districts knows that 5s. an acre would not go very far.

224. I suppose that if they got this money to expend through the Council they would be more satisfied?—Very much so. It is the one grievance that they do not get the control of the money. They are very glad to get the grants for the roads, but the grants are uncertain, and it is not a good system. If our rates were subsidised we would be able to obtain a good amount. We have raised from seventy to eighty loans in this county. Money is put on the estimates for our roads, but it never comes here. I think the subsidy system would be a superior way of assisting the settlers to the present system of grants. We hear a lot about the lease in perpetuity being the best system of settling the land, but from Masterton to Takapau all along the road where you see much prosperous settlement there is only one little block—the McKenzie—which was taken up under this system. It was taken up on perpetual lease with a deferred payment. It is the only system a poor man can take up land on. As to the aggregation of estates, I defy anybody to show me where that is the case. There may be some back places where settlers are afraid to go and live that the big owners buy each other out. But taking the main roads where the good land is, I would like anybody to show me where any aggregation is going on.

225. What about the residence conditions?—When I was on a station myself it seemed to me very hard that I should be compelled to go and live on 100 or 200 acres of land when I could spend my money on an improved place, and go and live on it when I get it roaded. I think these residence conditions might be relaxed without much loss to the colony.

226. Have you had any experience of the advances to settlers?—No; but there is a very great grievance regarding that system. Say, for instance, a man forfeits his section—it is put up to auction, and the valuation that is put on it is, say, £205, but all the money that can be raised on it by the holder is £40. There must be something wrong there.

227. What is your opinion about the constitution of the Land Board?—There is a feeling amongst people that the constitution of the Land Board is not what it should be. Personally, I have nothing to say against them, because I have always acted up to their rules, but there is a feeling that the men on the Board are not practical men. You have heard a good deal to-day about Mr. Chapman. I do not know whether it was correct or not, but Mr. O'Meara stated on the floor of the House that Chapman was driven to hang himself because he was compelled to reside on land at Mangatainoka and could not take his wife to his section. If the Crown tenants had one man on the Land Board to watch their interests it would be better than it is now. I think such a member should be elected by the local bodies' franchise.

228. *Mr. Paul.*] Where is the insecurity of the lease in perpetuity?—It may be the fact that Government brought a Fair Rent Bill before the House. It failed to pass, but we do not know when it may come.

229. Well, you see the effect of that Bill would be to revalue existing leases?—Of course, we saw the other day that it was demanded by the labour unions. They demanded that leases should be revalued every five years.

230. Where did you see any time stated?—Over and over again at their meetings.

231. I am afraid you are labouring under a delusion as far as the time is concerned?—I am not, but I will undertake to find the report for you. I cannot do so to-night.

232. You have also men getting up and talking about confiscating the freehold?—They practically do it in some places now, because a man has to give up his freehold if it is wanted.

233. Then he is paid a full market price?—Sometimes they say he is and sometimes he is not.

234. Do you believe that the policy of purchasing large estates and cutting them up is in the best interests of the colony?—I do.

235. Then, you are not complaining about that?—I am not.

236. *Mr. Anstey.*] I understand you wish to alter the existing lease-in-perpetuity tenure?—Yes.

237. Do you think it would be wise to alter the terms of that lease?—I do.

238. Suppose you allowed the alteration in one respect, would it be wise to allow the labour people to agitate for revaluation?—I do not, because a man is paid full value for it in the first place.

239. Then, it is right to break it in one way and not in another?—No, it is not reasonable to do that.

240. *Mr. Johnston.*] Do you know anything about the Land for Settlements Act?—I have seen some of the settlements.

241. Would you give the tenants under that Act the right to purchase the freehold?—Yes.

242. Have you seen any of those settlements in the South Island?—No; but I have seen Hatuma.

243. Is that a success?—I heard some of the settlers were satisfied.

244. Could the settlers have gone on to that land if they had not got an easy tenure in the first place?—They could have gone on it if they had held the perpetual lease with the right of purchase, or the deferred payment, just the same as they went on under the present Act.

245. Have you ever known of large blocks of freehold to revert to the mortgagees?—Sometimes.

246. Are there not at the present time immense areas of land held by mortgagees?—Yes, and to the very great advantage of the people who have the money from them.

247. Are there any large areas of land that have reverted to the mortgagees and are still held by them?—Quite right, but that is perhaps as much the fault of the man who borrowed the money as the man who lent it.

248. Was there not overspeculation and overborrowing in regard to freehold land at one time?—I do not know what it was due to, but it might have been that the troubles those people experienced were due to the fact that they did not know how to run the show.

249. You know the land between here and Napier pretty well: were there not large areas of land held there at one time by the mortgagees simply through overspeculation and overborrowing?—I know one such estate, Mr. Herbert, but they are doing well there now under different management.

250. And you will not admit it was through overborrowing?—I will not.

251. How did the most of that land get into the hands of the mortgagees?—I suppose the man who takes up land goes on continually improving it, but some can make a success of their work and others are a failure under the same conditions.

252. Are the County Council blamable for a lot of these very bad roads?—No. I am sure that they are spending their money properly.

253. Do you not think Mr. Nathan would spend the Government money equally as well as though the work was let by contract by the county?—I do not know that he would. He is a very practical man, but there are other matters connected with the carrying-out of the work that he cannot control.

254. What noxious weeds have you got here?—Californian thistle and ragwort.

255. Is it depreciating the land at all?—Not the Californian thistle as much as the ragwort.

256. Have you any on your place?—No.

257. Are the settlers taking means to eradicate it?—Not as much as they should do.

258. Is there any land between Takapau and Hastings suitable for close settlement?—Lots of it.

259. Would you advise the Government to take that land and cut it up for close settlement?—I am not sure that they would take my advice on anything, and I would not advise them to do it, but I would not blame them if they did take some of it.

260. Have you had any personal experience as a Crown tenant?—No, unless you consider the time I took up land on perpetual lease with the right of purchase as such.

261. Did you find that the Land Board generally treated you well at that time?—No, I did not.

262. How many men on the Land Board at the present time are practical farmers?—I have no knowledge of them.

263. Do you know them at all?—I do.

264. And you say they are not practical farmers?—I could not tell you.

265. *Mr. McCutchan.*] Can you make a definite statement in regard to the expenditure of loading in your riding?—Yes.

266. Has it been spent?—No. I will give you the road from the Mangatainoka River to Marima.

267. What was the amount of loading due to that particular road?—5s.

268. Could you tell me the aggregate amount?—I could not; it is a very large district.

269. Do you know the amount they expended?—I could not tell you.

270. Is it from hearsay that you made the statement just now?—No, from my own personal knowledge. I have represented the district on the Council for the last ten years. This road is eight or nine miles long, and if you want the figures to work out the amount of the loading I could give you the number of acres on the road to-morrow morning from the office papers. Another matter that affected the settlers there was that there was a totara reserve set apart for the purpose of building a bridge over the river, but the timber was taken away to another place, although we objected to it being removed. There was a clear understanding that the timber was to be left there so that we would not have to cart the timber far to the bridge. We have arranged for a loan for the bridge and the Government to subsidise it.

271. Was there sufficient timber for the bridge, or was the royalty to go towards the building of it?—There was sufficient timber, but they have sold it and carried it away, not put it into the bridge.

272. What is the name of the bridge?—Marima-Tukokara Bridge.

273. What is the amount of loans raised by your Council under the Local Bodies' Loans Act?—Between £60,000 and £70,000.

274. Did you get any subsidy on that?—We got grants simply.

275. Do you know the particulars of Chapman's case?—I only know what I read in the evidence.

276. Can you state if residence was due at the time he committed suicide?—I believe it was.

277. You do not know if his wife was desirous of holding the section after his death?—I do not.

278. How many years ago is it since this happened?—Only seven or eight years.

ROBERT CADE examined.

279. *The Chairman.*] What are you?—I am a settler at Mangatainoka, and I hold 130 acres—two sections containing 50 acres under lease in perpetuity, and an education reserve of 79 acres. I am paying £2 on one lease in perpetuity section, for the other lease-in-perpetuity section £1 17s. 6d., and for the education reserve £8 3s. 4d. I have been there twelve years. I represent the Mangatainoka Branch of the Farmers' Union; there are thirty-seven members in it, and I indorse practically the whole of what my brother unionists in Pongaroa have stated. I believe in the elective Land Boards. I consider the deferred payment the best tenure we ever had, as you can finance easily under it. As to the constitution of Land Boards, I consider that three members ought to be elected by the Crown tenants, and my reasons are that the bulk of their administration relates to the lands of that class; also consider that practical farmers are the most suitable men to administer the lands of the colony. Regarding the three land-tenures of the colony, the three land-tenures of the Rolleston period were the best the colony ever had for all-round settlement, and has produced the best class of yeomen in the colony to-day—for instance, the old Pahiatua Block, the Balance-Woodville Blocks, and the second Rangitumau Blocks, &c. In regard to those three tenures—*i.e.*, cash, lease with right of purchase (spread over a number of years), and deferred payment, the last, in my opinion, was the best settlement tenure that ever existed in the colony, and for practical financial purposes, which the bulk of settlers have to take into consideration, the easiest managed, and the best terms under settlement conditions were procurable under it. With respect to the pressure of residence conditions on Crown tenants, I consider that settlers in bush country should be granted at least three to four years' non-residence before compelling a man with a small family to reside on his section; also that the success of the settler's first burn and reasonable facilities for education purposes should in many cases entitle a practical settler to a further extension of non-residence. As to the effects of climate and land-configuration on tenures and areas held under them, and the need for consequent alterations of the land laws or regulations, I say that undoubtedly climate, especially in high country, should be a condition for larger areas, as climate affects the amount of stock that land will carry, and stock in its various degrees of wool, mutton, beef, and butter constitute the stock-in-trade of a bush settler for at least the first ten years of his occupation, and by the sale of such he pays his rents, &c., and keeps his family. I also consider that surveyors should be compelled to take into consideration when laying off boundaries the best fencing-lines procurable. In many instances within my own knowledge a slight alteration would have given section boundaries a sound and permanent fencing-line free from slips and likewise permanent water. With respect to homestead privileges and their reinstatement, I may say that I have had no experience, but from statements made by friends I consider it would exactly suit for the settlement of poor country in large blocks. By large blocks I mean area sufficient to give a living-wage—say, winters from five to six hundred sheep, with cows for home purposes. With respect to the working of the ballot system, I consider that all genuine settlers if unsuccessful at, say, two ballots should have the privilege to select areas suitable to their requirements and capital at the earliest possible opportunity; also that the size of a settler's family should be taken into consideration when striking the area; also that grouping of sections should be abolished. Regarding the practice of loading lands for roads and its working, I have had no experience on that point, but the principle seems right when properly administered; but I think the payment of interest on the loading should carry some fixed term of extinction. With respect to the values of leaseholds now and at date of lease, I may say that when I as a settler took up a lease in perpetuity—*i.e.*, for 999-years tenure at a stated sum—I expected that lease would hold good in its entirety for that term, and undoubtedly I was told so by the late Hon. John McKenzie; consequently no alteration in value can honestly be assumed by the Government of the day who granted it without breaking the conditions of the said lease, which in my opinion would constitute an unparalleled crime. With respect to the working of the advances to settlers, I have had very little experience of it. Have assisted in a few instances to procure advances, and always failed to see why the valuation done should be such a secret matter. Have had experience in a matter of a transfer of a mortgage, and for the life of me could not understand the paltry charges that I had to pay and the perpetual recurrence of them for months, such as the searching for this and that. Think transfers of all descriptions should be made as easy of completion as the sale of an animal by auction. As to the conditions and positions of occupiers under the various tenures, the freehold is the best tenure, both financially and socially. As regards the lease in perpetuity, had no Fair Rent Bill been proposed, with its periodical valuation for rent, that tenure would have been as equally secure up to the extent of the lessee's own improvements, but under the circumstances I consider the farmers are quite justified in endeavouring to acquire the option of the freehold; and should socialism on New Zealand lines ever become the ruling power here, God help the struggling farmer! The aggregation of large estates is well provided against by the present restriction of 640 acres.

280. Was it at a meeting that you were appointed delegate, and was this statement drawn up at that meeting?—I proposed that two delegates should come here, but they have gone home. Their views would be practically the same as mine.

281. *Mr. Paul.*] Did you draw this statement up?—I did.

282. Do you want all the members of the Land Board elected?—No; three out of the five. The Government to appoint two, and the Crown tenants the other three.

283. *Mr. Anstey.*] Upon what franchise would you elect the three?—I think it ought to be by the Crown tenants, but I would not mind as long as they were elected. The county franchise would satisfy the purpose.

284. How would the parliamentary franchise suit you?—I should pick out the farmers.

285. You just want to elect them amongst yourselves?—Just the farmers.

286. I think you consider that the lease in perpetuity should be held inviolable?—I do. I was the one who got the village sections put up to ballot and the lease altered from thirty-one years to 999 years, and I thought I had done myself and fellow-settlers a great stroke, but when we heard of a Fair Rent Bill we changed our opinions. The farmer must have security of tenure.

287. You say that it would be an unparalleled crime to interfere with the lease.?—I do.

288. Have you not come here to attempt to break it?—We have to do so when they hold the other thing over our heads. The Premier stated that it would affect us. The Fair Rent Bill was to put right a few cases that were overvalued, but we have been told it would affect the whole of us.

289. You say this dread of revaluation has been held over your heads: do you know the name of the only organization which has made any attempt to break your lease?—I do not suppose you take the trades and labour organization into account.

290. They have not come before us as an organized body?—There is one gentleman here.

291. Do you think that they are the only ones who have come to us asking us for a breach of your lease and therefore are guilty of this unpardonable crime?—We are asking for it now.

292. Are you not, then, the ones who are guilty of committing this crime?—I consider we are partners in the action we are taking.

293. *Mr. Johnston.*] Who started this agitation, the tenants or the Farmers' Union?—I think it has grown from a very small beginning to a very large thing.

294. Do you think it came from the headquarters of the Farmers' Union?—I am sure it did not. It came from a branch of the union at Mangatainoka.

295. What quarter was it you referred to from which you said you got the information about the Fair Rent Bill?—I saw it in the *Times*, and I presume they stated truthfully what the Premier said on the subject. He stated it, but I did not think that the labour organization would think of altering any lease under the Land Act until they got more members in the House.

296. Are you satisfied with the *personnel* of the Land Board at present?—I have no objection to them.

297. Would a majority of the tenants be satisfied with the present tenure if it was not for this dread of a Fair Rent Bill?—I believe they would.

298. There are thirty-seven members in your union: how many settlers are there in the block?—I believe they are all settlers but one.

299. Are they all Crown tenants?—Not quite all. There are twenty-eight or twenty-nine Crown tenants.

300. How many Crown tenants are there in the block altogether?—I could not say.

301. Are there sixty?—More than that.

302. How many does your branch represent?—We go from the Tiraumea Road to the Manawatu River. I suppose there are three hundred votes.

WILLIAM BAYLISS examined.

303. *The Chairman.*] What are you?—I am a farmer holding 200 acres lease in perpetuity in the Kakariki Settlement, and I pay £16 12s. a year. I have held the land three years. I am the oldest settler between Mauriceville and Woodville. I have been twenty-five years in the district, and I was Clerk to the Eketahuna Road Board for nine years. I have a full and intimate knowledge of land-settlement in this district. I think Land Boards should be partly elected. From my official experience of nine years with the Land Board, and since, I can safely say that I have had nothing to complain of in respect to the Wellington Land Board. I think, however, Land Boards should be allowed considerably more discretionary power than they at present possess. I am entirely in favour of the freehold system; it is the best for the State and individual. I think some of the residence conditions should be relaxed, and I will cite a case to illustrate my opinion. My neighbour, with his wife and son, and son's wife, came out from Scotland three years ago. They took up a section close to me, and the son took up a section adjoining his parents. They had a small family and found it convenient for the time being to live with the old people. The Land Board; however, was obliged to harry them on the ground that they were not complying with the conditions of the lease. This is a case where the present restriction imposes a great hardship. In another case a man took up a section in the Hutt Special Settlement, adjoining Kakariki Settlement, and as it was on the deferred-payment system he acquired the freehold. Being an enterprising man with a small family he felt desirous of making some provision for the future, so he took up 100 acres in the Waiwera Special Settlement, about three or four miles away. None of the children were big enough to go and live on that section, and to escape forfeiture he had to part with it and sell it. In such a case the conditions of residence press very unfairly. With regard to the effects of climate and land-configuration, I indorse what was said by another witness on that point. I am in favour of a modified form of the ballot system. I would appoint a competent tribunal to examine and satisfy themselves as to the fitness of applicants to take up land, and then I would let them ballot for it. I think applicants should satisfy the Board as to having sufficient capital, as to capacity for farming, and as to general character. I am entirely against the practice of loading the land for roads. I have come to the conclusion that it would be far better to let the local bodies raise loans under the Loans to Local Bodies Act. That would obviate a good many difficulties. If time permitted I should like to refer to several other matters, but as the Commission is shortly leaving by the train I shall not say any more.

JAMES HENRY ESCOTT examined.

304. *The Chairman.*] What are you?—I am a farmer, and hold 180 acres under lease in perpetuity in the Hall Special Settlement. My rent is 4 per cent. on the capital value of £1 12s. 6d. I have been there ten years. I also hold 200 acres of a private lease with a purchasing clause, and I hold 20 acres of freehold. I want to say that we desire the option of the freehold at the original

valuation with the 1 per cent. additional. I am satisfied in respect to the Land Board, although, no doubt, the Crown tenants would be better with one representative on the Board. The 5s. for loading does not work equally, because some settlers have sections fronting the main road, and they have the roads formed past their holdings, whereas the settlers in the back blocks do not get the same advantage. Although I have been there ten years I have only a 6 ft. track. I believe the full amount of the loading has been expended, but it is not sufficient to form the roads.

WILLIAM MATHESON examined.

305. *The Chairman.*] What are you?—I am a farmer, and hold 180 acres under lease in perpetuity in the Hall Settlement. My rent is £13 Os. 10d. a year. I have been there ten years. I am a leaseholder, and am in favour of the Government keeping the lease and not selling any land. I am in favour of the lease-in-perpetuity system, and there are several settlers in the district who hold the same opinion as myself. I say that the Government is a very good landlord. I am not satisfied with the Land Board. Several of the witnesses who have given evidence to-day would not be in the position they now occupy if it had not been for the lease in perpetuity.

306. *Mr. Anstey.*] Would you abolish the present optional system?—No.

307. You are in favour of the present tenures as well as the leasehold?—Yes.

308. *Mr. Johnston.*] Do you believe the majority of settlers in that block are in favour of the leasehold as at present?—Perhaps one-half are.

HENRY DUNNE examined.

309. *The Chairman.*] What are you?—I am a settler, and have 265 acres lease in perpetuity and 173 acres freehold. My land is partly in the Eketahuna County and partly in the Masterton County. I have held the land for twenty years. I just wish to say that I support the leasehold mainly. I am of opinion that the leaseholders are every bit as well off as the freeholders in every respect, and in some ways they are a great deal better off. I do not think that those witnesses who have given evidence advocating the freehold really represent the Crown tenants. I think that is evident from the evidence brought from Pongaroa, where sixty-seven settlers advocated the freehold, and there are 350 settlers in the block. I think that the Crown is foolish to part with the freehold of any land whatever. The restrictions put on the land by the lease prevent the aggregation of large estates. That is one of the main things we have to contend against. Although some people say that there is no aggregation of large estates in the Forty-mile Bush district I am certain there is. I do not think that the Crown has any right to revalue the land, and I do not think they can pass an Act that will give them that power. I do not think that any Crown tenant need have the least dread of revaluation. An agreement has been made between two parties and that agreement is binding to both parties. The lease in perpetuity is an agreement between myself and the Crown, and the Crown cannot break that contract and revalue my land, and I certainly cannot break it and demand the freehold. At the back of this demand for the freehold there is free trade in land, and that means the aggregation of large estates. The Labour Conference at Wellington passed resolutions in favour of revaluation. I say that the settlers are committing themselves to a most suicidal policy by demanding the freehold, because men with money will buy up the sections, and thus the land will get into larger blocks, and by that means they will be reducing the country vote. Nothing else will keep a heavy land-tax off the country land but the power of the farmers to resist it. If there are enough settlers on the land to resist the labour unions we will be able to resist them, but if we reduce the country vote, as we are doing, we will be reducing our power and increasing the city vote. There is no question but the land-tax is coming, and it is only a case of how we can stand.

310. *Mr. Paul.*] Do you think the labour unions can do anything to injure the settlers without injuring themselves?—That is just the point. Do they understand how far they can go without injuring us?

311. Is not that the check?—That is a check, but they will put a tax on us so heavily we will be hardly able to bear it.

MASTERTON, MONDAY, 12TH JUNE, 1905.

WILLIAM JOSEPH BUCK examined.

1. *The Chairman.*] What are you?—I am a Crown tenant and hold 349 acres under lease in perpetuity, and 546 acres which was under perpetual lease, but which I have converted into freehold. I also hold 90 acres under right of purchase—the latter being a private lease. My land is at Tauherenikau, about twenty miles from Masterton. For the lease in perpetuity I pay £14 a year. I have been there for eighteen years. Why does the Crown tenant ask for the freehold? The question can be put in a nutshell. The tenant takes up a 200-acre block of land, valued at, say, £200, for which he pays the Crown £8 a year. Now, this land is not bringing in a cent. to the State, and it is only by the tenant's thrift and hard labour that it is made profitable. In a very few years the tenant will put £4 an acre on this land. It stands thus then: The tenant puts £800 of improvements on this 200 acres; now, what value was this land to the State till the Crown tenant made it valuable by hard toil? I say none; and yet the Crown receives rent from this thrifty Crown tenant. Very well, the Crown claims for a start £200 value for which the tenant pays rent—as before stated, the tenant's interest is £800, just four times as much as the Crown owns. Now, there is a talk of bringing in a Revaluation Bill and a Fair Rent Bill. By whatever name the Bill is called the tenant knows it is a rack-rent Bill. This means the Crown can raise the unimproved value from £1 per acre to £2 and even £3 or more, as the Crown thinks fit, and, of course, every £100 of unimproved value means £4 extra rent to the tenant per annum. Now, sir, the Crown tenant's trouble is not ended here, even when his rent is raised and the tenant has paid the rent. The tenant is beset with a large number of clauses in the lease, and

in many cases he will find it impossible to fulfil the conditions and satisfy the Land Board. And so the tenant remains in dread lest the Land Board should take an unfavourable view and compel him to forfeit. And to forfeit what? Why, what he has been struggling and working and toiling at for a number of years—namely, a home for his wife and family—that is what it means to a poor unfortunate tenant who happens to break one of the clauses in the Land Act. Is it any wonder we are asking for the freehold, and is it any wonder that the colonial youth will not undertake to make a home in the bush as his father has done before him? No, the colonial youth has seen the hard toil of his parents, and he goes to other work or in many cases to another country. I say if we want to settle people on the land it must, to make it a success, be a free, self-reliant, and independent people—a people that is not disturbed in their home; and they must have a free and secure tenure, and the only tenure that is a secure tenure is a freehold. I am of opinion that every Crown tenant should have the right to convert into a freehold. I do not consider that the tenant's improvements are secure. I do not think the lease-in-perpetuity tenure is a sure tenure for my heirs, because the Land Board has the power to refuse a title. I have lost all faith in the lease in perpetuity since the Government tried to pass a Fair Rent Bill. I consider that as soon as a tenant has effected substantial improvements he should be exempt from the control of the Land Board, and he should be able to sell or will it to any one, so that the title would be certain and the deed secure to his heirs. I may state that my family have been helping me to make and improve my place, and I have willed my property to my family. I find, however, from a case in which a Mr. Pilkington was concerned, and which recently came before the Land Board and the Supreme Court, that if there is a small hitch in connection with a lease-in-perpetuity holding it is insecure, and the Land Board may force my heirs to surrender the lease. That is a very serious thing. There is my son, and he, owing to the decision in the case I have mentioned and on account of doubts which exist in connection with the lease in perpetuity, is not now working on my property more than he can help, and I do not blame him for it. He wants to see my lease secure before he works on it. There is no such thing as the unearned increment in the case of the average Crown settler. In certain cases there may be an unearned increment, but in the case of the average Crown tenant it all belongs to the settler who has worked hard for it. What I am greatly concerned about is the system of valuation. The valuers are depriving the settlers of the improved value and putting it to the unimproved value, and the Fair Rent Bill would rent the tenant on the unimproved value; so if such a Bill was passed it would be confiscating a large amount of the Crown tenants' hard-earned improvements. To illustrate my view I will quote my own case. I took up 546 acres occupation with right of purchase. The Crown valued it at £378 10s. That was nineteen years ago. I want to make it clear that at that time this land was there for anybody to take up at £18 18s. 6d. per annum. Very well, the original value was £378 10s.; to-day they make it £680; increase on the original, £301 10s. Let me explain how this is made up to-day by the Valuation Department: Capital value, £1,827; unimproved value, £680; improvements, £1,147. Now, what has been done for this £1,147? 546 acres felled, cleared, and grassed; five miles and three-quarters of fencing, a house, a dairy, a stock-yard, a cowshed, a woolshed, a sheep-dip, sheep-yards, leads to sheep-yards, draining, logging-up, and making tracks over rough land; also a plantation. And for all this I am allowed £1,147. It will be asked, why not dispute the valuation; because if I had got them to allow me fair value for my improvements they would have risen the unimproved value in proportion. Now, I want to say, and make it as clear as I can, that if as a Crown tenant I was subject to the administration of a fair rent it would mean confiscation of £301 10s. of my hard-earned improvements. I wish here to state that if the Crown had granted this land for nothing it would not have paid fair wages for improvements. My own valuation of my holding is £2,000, and I will sell it at that price. Some of my improvements have been put into the unimproved value. I want to make it clear that if as a Crown tenant I was subject to a Fair Rent Bill it would mean confiscation of £310 on my hard-earned money. If the Crown had granted me this land for nothing it would not have paid me a fair amount for the improvements I have made.

2. Your main point is as to insecurity?—Yes; insecurity as to my improvements and as to the tenure.

3. The Government has entered into a contract for the long period of 999 years. Do you think it is possible that the Legislature would pass a law to the injury of yourself or your heirs in view of your contract?—Yes; I believe they would do so if they had the necessary number of votes to enable that to be done.

4. You referred to the case of a Mr. Pilkington. Can you shortly state the circumstances of that case?—I think it is very unfair to compel an heir to surrender. I think that the heir should have five years at least in which to dispose of the property. My son would not be able to fulfil the conditions because he has a family growing up and he wants to be in town. Therefore, if I were to pass away, my son would not be eligible to take over my property unless he lowered his dignity and had to go begging to the Government to get a concession, which I consider no settler ought to have to do.

5. *Mr. Anstey.*] Can you give us any particulars about the Pilkington case?—I know that there was some hitch which led to the surrender of the holding. I do not find fault with the administration of the Land Board. In the case of Pilkington he was given twelve months in which to deal with the land, but he must have spent a good deal of money in bringing the case into Court. It seems to me that the power of the Land Board in such matters is too great.

6. With respect to Mr. Pilkington, could you assert that he has been robbed of any portion of the value of his estate?—He was ordered to surrender it, but I notice that he was subsequently given twelve months' time, and he lost a good opportunity of dealing with the land because he could not get a title to it.

7. Have you never known of a case in which freehold land has been left in which the heirs have disagreed and gone to law, and the lawyer has got the lot?—No.

8. Do you really think there is any more uncertainty when the whole interest is being conserved by the Land Board than when it is left to the tender mercies of an ordinary lawyer?—I am not prepared to give an opinion on that.

9. You say you are afraid there is going to be revaluation or that there will be a change because a Fair Rent Bill may be passed?—Yes.

10. And you think that that would be brought about by the labour agitators or others introducing a Bill which will result in what you call confiscation?—Yes.

11. Supposing any party in New Zealand were to go in for breaking a direct bargain between yourself and the State, do you think there would be any more likelihood of their confiscating your leasehold than there would be of confiscating the freehold?—That would come under the same heading no doubt, and that is just what the agitators will do if they can.

12. If such a thing comes about, how much better will the freehold be than the leasehold?—I am glad you asked me that question. The leaseholders are only small in numbers at present, and we look on the freeholders as our big brothers and they will stand by as the same as the Farmers' Union is doing. There are only five thousand Crown tenants at present who are really dissatisfied, and perhaps there are one hundred thousand freeholders, and if the leaseholders are put on the same footing as the freeholders, the freeholders will fight for us and we will all fight together. But now they are dealing with us in detail because we are only a small body.

13. Is that not a silly argument to use that the freeholders will not help you now but they will by-and-by when you become freeholders? You admit that if the bargain between the State and the leaseholders is to be broken, it will not be long before an attempt is made to break the bargain between the State and the freeholders?—I did not say that the freeholders will not help us, but I say that we are detached from the main body of landholders at present, and when we are put on the same footing as the main body they cannot treat us without hitting the freeholders also; but if they attack us successfully now they will no doubt attack the freeholders later on.

14. You think that if you got the right of acquiring the freehold you would become freeholders?—I have no present intention of buying the freehold, but if the Government will grant me the right of purchase I should be prepared to pay the 1 per cent. for the time I have had the land.

15. You are willing to pay something for the freehold?—Yes. I do not want the freehold for nothing. As I have said, in my opinion, the Land Board has too much power in such matters.

16. Have you had any trouble in satisfying the requirements of the Land Board as to cropping and other things?—I have received the following letter from the Land Board:—

“Department of Lands and Survey, District Office, Wellington, 3rd November, 1899.

“Sections Pt. 531, 532, 534, Block VIII., Waiohine.

“In reply to your letter of the 16th ultimo, I have the honour to inform you that the Land Board on the 26th ultimo resolved to grant you exemption from residence on the above section for the present, on the understanding that in the meantime you commence to prepare for making your home on the land. The Board did not approve of your request to be allowed to reside on your freehold property instead of this section.

“J. W. MARCHANT,

Commissioner of Crown Lands.

“Mr. W. J. Buck, Nikau Valley, Featherston.”

I took over a lease-in-perpetuity section from another party. It was a tolerably cheap place. The man whom I took the section over from was allowed to reside within ten miles of the holding. He had no roads. The Land Board approved of me as a tenant when I took up the section, and I took up the adjoining land under the Land for Settlements Act. I was then satisfied, and occupied the land for two years. The Land Board then wrote me a very stiff letter demanding to know why I was not residing on my leasehold. My home at the time was on the freehold. The Land Board knew the position perfectly well, because I had explained it to them. I wrote back and stated that there was no road to the property, and that it was many miles from a school, and I said I thought I was entitled to the same privileges as the previous tenant—viz., that I should be allowed to reside within ten miles of the holding, and I received the reply dated the 3rd November, 1899 already quoted. I said that if they made a road to the place I would fulfil the conditions and make my home there. I subsequently received the following letter:—

“Department of Lands and Survey, District Office, Wellington, 8th February, 1900.

Sections Pt. 531, 532, 534, Block VIII., Waiohine.

“REVERTING to your interview with Mr. Marchant on the 24th ultimo, I have the honour to inform you that the Land Board on the 1st instant under the circumstances resolved to grant you exemption from residence on the above section for the present unconditionally.

“C. V. WRIGHT,

“Mr. W. J. Buck, Nikau Valley, Featherston.”

For Commissioner of Crown Lands.

17. Do you think that residence ought to be enforced or done away with altogether?—I consider that as soon as a settler has done a fair amount of improvements all restrictions should be thrown on one side.

18. Do you not think that that would be prejudicial to the interests of the settlers who do reside on the land?—I do not think it would be prejudicial to them.

19. You referred to several cases of forfeiture. Can you give us any instance of unfair forfeiture by the Board?—No, I have never gone into that, but I have read the proceedings of the Land Board and I think what I have said is true. The Board had power to make me forfeit. It is the power they possess in this respect that I object to. I may say that we did not know what the conditions were when we took up the land.

20. Do you think that the conditions ought to be published in a concise form and given to intending settlers?—I think that four-fifths of the conditions could be wiped off the statute-book.

21. *Mr. McCutchan.*] You made a remark about young men not going on the land. Can you say whether that is the general feeling among young men in your district?—Their general feeling is to wait until the Government cut up some improved estates. They will not go into the bush districts.

22. Your opinion is that unless the settlement conditions in these out-of-the-way places are made a little more attractive the young men will not settle on the land?—Yes, I believe that is the feeling of the majority of the young men in that district.

23. With reference to property left by will, you have mentioned a case where the interest of the settlers was more than four times the interest of the State. Do you think that in such cases it should be clearly laid down by law that there should be no interference by the Land Board with the provisions of a will?—I think the heir should have at least five years in which to dispose of the property.

24. Why should he be compelled to dispose of it at all?—I do not see why he should either.

25. *Mr. Johnston.*] What is the average carrying-capacity of your 546 acres?—One and one-third sheep. It is second-class hilly country.

26. Do you think it is fair to bring forward evidence with regard to the case of Pilkington when you admit that you know nothing about it?—I do not admit that I know nothing about it.

27. Was Pilkington beaten at every point in the Supreme Court?—I cannot say Yes or No, because I do not know how many points there were.

28. You knew the conditions of this lease when you took it up?—I did not know that residence was expected.

29. Do you think it right of the Land Board to make fish of one and flesh of another?—Apparently that is what they were doing in my case.

30. What did you pay for the goodwill of the place?—£80.

31. How much was the increase then?—The improvements were worth about £120.

32. *Mr. Paul.*] Did you pay £80 in addition to the £120?—I only paid £80 altogether.

33. You got a good bargain?—Yes.

34. Why did you buy it when you knew the Government was bringing in a Fair Rent Bill?—This section was a great nuisance to me. It had changed hands four times and gone through the Land Board twice. The neighbours wanted all sorts of favours from me, and I thought I would save the trouble about the road if I bought it.

35. It adjoins your own section?—Yes.

36. Were the four other tenants bad neighbours?—No, but they were a nuisance because the Land Board would not give them a road and they disturbed my sheep.

37. Is there anything in the lease which prevents you using the land to the best advantage?—No.

38. Would you lose money by buying the freehold?—Yes, about £60. It was under the small runs which pay $2\frac{1}{2}$ per cent., and I would have to pay the difference between that and 5 per cent. for a few years, and after that I would have to pay 6 per cent., which would bring it up to £60.

39. Would it suit you if the improvements were conserved to you and the lease put up to public auction?—If the valuation was satisfactory it might suit me, but the valuation is not correct. If I could only sell out now and be paid fair wages for what I have put on the property, I could take a trip round the world.

40. Do you know of any case where the unimproved value of land has increased?—Yes.

41. You want security of tenure?—Yes.

42. Is a freehold with a mortgage on it a secure tenure?—Yes.

43. Are there many freeholds with mortgages?—I do not think there are many without.

44. Who do you think is in the best position, the man with the lease in perpetuity who pays 4 per cent. on the capital value, or the nominal freeholder who pays interest to a mortgagee?—The nominal freeholder.

45. Even though the rate of interest is 3 per cent. higher?—Yes.

46. Can you tell me why the large freeholders are fighting for the Crown tenants at the present time?—He has to pay a graduated tax on the same scale that the Crown tenant might have to pay.

47. Is it not more reasonable to suppose that the large freeholder is working for the Crown tenant to-day in the hope that by-and-by the Crown tenant will help the large freeholder?—The leaseholder is not a free man, and I presume that they see that by striking at the Crown tenant they are striking at our freedom.

48. The Crown tenant is not free, but the man with a mortgage is free?—The man with a mortgage has a judge and jury to decide in the case of a dispute, but with the unfortunate tenant there is no remedy.

49. You are afraid of revaluation?—That is the real objection.

50. Why did you not give the Commission a statement on the other side as to the improbability of any interference with the lease in perpetuity. You know that several have been made in high places?—And I know that there have been four, if not five, Fair Rent Bills before the Legislature in the last eleven years.

51. Do you know what would have been the exact effect if these Bills had become law?—I know what effect it would have on Crown tenants, because it included Crown lands.

52. You are sure that there is no possibility that your interpretation was wrong?—I would not be surprised at my interpretation being wrong, but there was sufficient to show me that they wanted to interfere with me.

53. Did that Bill touch the tenants who held land from private landlords?—Yes.

54. Do you think that private tenants should have the right of the freehold?—I believe, if it was a general thing, that it should be as good as the freehold so long as he paid his rent.

55. Do you not think it would have been better if the Government had given a shorter term of lease?—No, I would not like to go in and fell trees 7 ft. and 8 ft. through on a shorter lease. The lease is all right, it is the administration of the conditions of the lease that hurts me.

56. You are quite satisfied that the Land Board is not exceeding the law in any one case?—Yes, if they were to put the screw on and make everybody fulfil the exact conditions of the Act, in place of there being ten thousand tenants on the land there would not be five thousand, because all the sections would be forfeited.

57. Do you approve of the Land for Settlements Act?—I do not approve that the land should be taken from any man at the decision of any small number of administrators. I think it would be all right if Parliament decided what land should be taken.

58. Do you think that a majority of the people in the colony favour a close-settlement policy?—The majority who are crying out for land to be taken for close settlement do not want land.

59. In the case of bush settlement, it is the difficulties that have to be overcome more than the tenure which is preventing young men going on to the land?—That is so.

60. If there were not land-monopolists in the colony men in your position would not have been forced out into the bush before there was access to those sections?—I could always have got land ever since I was in the colony if I had had the money.

JAMES CHRISTOPHER COOPER examined.

61. *The Chairman.*] What are you?—I am a farmer holding 400 acres lease in perpetuity, for which I pay £22 per annum. It is situated six miles from Mangamahoe, and I have held the land for fourteen years. I represent about twenty leaseholders in two branches of the Farmers' Union, and I wish to submit to the Commission a statement with regard to the land systems of Ireland and Denmark, which I have prepared at the request of the colonial executive of the Farmers' Union, to whom it has been referred and approved: The system under which the lands of Ireland have been worked for nearly twenty years past has been a kind of dual ownership between the landlord and tenant, brought about by the exertions of Mr. Parnell and the Irish party to better the conditions of the tenant farmers of their native land. The term of the lease under the new conditions was practically eternal, for (except under certain conditions) as long as a tenant paid his rent he could not be interfered with. The land, however, was subject to revaluation every fifteen years, and the rent adjusted accordingly; this valuation is carried out by Government officials, and a special Court is set up to settle all cases. Although the term is nominally fixed for fifteen years under the provisions of the Fair Rent Bill, on the application of either landlord or tenant an alteration could be effected before this term expired. The rent is payable every six months in advance. In the event of a tenant not paying his rent for a full year, the landlord (on getting the judgment of a law-court for three half-years' rent, that is, the past year and the half-year in advance, known as the "running gale"), when the judgment for this has been secured, can, if necessary, enforce an eviction of the tenant. The result of this system, which at first sight appears to be all that could be desired, has not been nearly so successful as was confidently expected, but on the contrary has had the effect of seriously injuring the farming industry of that country. The great element that was entirely overlooked in the framing of these laws was human nature. When the first term rentals were arranged, it was at a time of political unrest and agricultural depression, and the rents in consequence were fixed very low. With the advent of better times the rental value of land has not improved, but on the contrary has steadily fallen. The cause being the fact that, if better prices prevailed, or if through improved methods the farmer succeeded in making bigger returns from his land, the tenant knew that he stood the risk of having his rent raised at any time, and at the end of his first term (in any case) this was certain to come about. Therefore, robbed of the incentive to make progress, the Irish farmer did what is being done on a small scale in this colony by short term leaseholders—*i.e.*, he made the most out of his land for the time being, without making any adequate return to the soil for what was being taken from it, without taking advantages of improved machinery, up-to-date methods, or even sufficiently working the land in many cases. An example of how Ireland has fallen away in this respect is shown through her butter trade, which but a short time ago held by far and away the premier place among the foreign butters on the English market. Now it is Denmark that holds the lead, whilst France, Holland, and the colonies are ahead of the great bulk of the Irish butter. Of quite recent years a far better position has been taken up by a portion of the Irish article, the chief cause for which I shall explain presently. The reason of the advance of the Danes and others was the adoption of improved methods and scientific machinery, while the Irish stuck to the old Conservative methods (for the reasons I have already given), and had in consequence to take prices which in many cases were about one-third of what they formerly received. Perhaps the most striking proof of the failure of the revaluation system has been the steady depopulation of many of the best and fairest portions of Ireland. With the failing of the producing-capacity of the land, and the drop in the value of one of the staple products (butter) the difficulties of living became harder, and the tenants steadily emigrated. The abandoned holdings were, for the most part, transferred to those who remained, and these having enlarged holdings for the time being found it less difficult to live. As a matter of fact, through these enlargements of holdings, Ireland is now a large sheep-country. Seeing the deplorable state into which their country was falling, a number of patriotic Irishmen (among the most notable being Father Kelly and Horace Plunket) endeavoured to rouse their countrymen to action, but soon recognised that before anything effective could be done, it was necessary to secure for the farmers a more secure land-tenure. Through their influence, and pressure brought to bear upon Parliament, a Bill was passed authorising the expenditure of £2,000,000 per annum in buying out the landlords' interests in the most congested districts—*i.e.*, those districts from which there had been the least emigration. In these districts, the holdings being smaller, the farmers found it difficult to live—in fact, in a bad season they were dangerously near a famine. To give effect to this measure, Local Boards were set up known as Congested Districts Boards, whose duty it was to arrange for the purchase of estates

and resell to the tenants. The conditions of purchase were very similiar to the deferred-payment system so well known in New Zealand. The tenants could buy the land by paying interest and sinking fund in ten, twenty, thirty, or forty years. The result has been in most cases simply marvellous; notwithstanding the fact that in many cases where the tenants chose the shorter terms to buy the freehold, they had to pay a heavier annual charge than when they paid only the rent to the landlord; but they had got rid of the incubus of revaluation, and knew that all they made (over and above the interest and sinking fund) was entirely their own. Now came Plunket's opportunity. Money to buy improved machinery and to start butter-factories and creameries was at first difficult to raise, but principally through the medium of farmers' banks this trouble was overcome. The butter produced from these factories now often competes successfully with the best; in fact, at one competition held recently, the Irish butter entered beat all comers. The general result of freehold was better-worked farms with far better returns, better homes, and a contented people; but the example before them of what could be done with the advantages of a secure tenure only had the effect of increasing the discontent of the tenantry throughout Ireland. To intensify matters, the Land Purchase Act fell into disuse through the fact that the Government stipulated with the selling landlords that half the purchase-money had to be taken in Government Consols at par value. This was satisfactory while the selling-value of consols remained at par or above it, but when they fell below that value, the landlord wanted an increased price for the land to make up for the loss. This, however, the tenants refused to pay, with the result that the Congested Districts Boards had to cease operation. Matters, however, were brought to a climax when the first term of fifteen years' rental expired. The Government then undertook the work of revaluation, with the result that it was found necessary to lower the rents throughout the whole country from 25 to 33 per cent., notwithstanding the fact that times were in every way better than they had been when fixed fifteen years before. Alarmed at the result, and seeing that another fifteen years of exhaustion and bad farming would mean that their interest would be worth nothing, they (the landlords) joined with the tenants in demanding that some alteration in the land laws of the country should be made. A large conference of delegates representing landlords and tenants was held in Dublin, resulting in a unanimous agreement: "That the only way to settle the land troubles and to improve the condition of the agricultural industry was to give the tenantry the right to buy the freehold of their holdings." And the Conference called upon the Government to pass such legislation as would give this effect. On this united request, the Government took the matter up, and Mr. Wyndham, Secretary for Ireland, brought before the House of Parliament his Irish Land Purchase Bill. This Bill, when first read, did not provide for the entire purchase of the freehold by the tenants, but only seven-eighths, the State retaining a one-eighth interest. The reason given by the Minister for this was that where the freehold had been sold entirely, it often led to cutting up land into too small holdings. This generally came about by a parent dying and dividing his already small holding among his family, and, notwithstanding improved and better results, still led to congestion. However, the Irish party insisted on the freehold or nothing; arguing that in the great part of Ireland the holding had already become too large, and to subdivide them in the way that had already taken place, would be a gain to the country; and as we know, they got their way. The Bill that finally passed gave the tenant farmer the absolute right to buy the freehold. There is, however, no compulsory clause to make the landlord sell, but instead a provision to pay the landlord as a bonus 12 per cent. over and above the value of his land—this as a gift from the State. The value of the land is fixed by mutual agreement between landlord and tenants. It is generally fixed at what is known as twenty-three years purchase—that is, the rent is capitalised for twenty-three years—for instance, if a tenant is paying £1 per acre rent per annum, the purchasing-price of his land would be £23 per acre. In some cases the price has been fixed as high as twenty-four years, and in many others as low as twenty-two years purchase. These purchasing-prices are on second-term rents; in cases where farmers have not yet entered their second term, the price is fixed at from seventeen to eighteen years purchase. The terms of purchase by the tenants are that they pay 3½ per cent., which covers interest and sinking fund, for a period of seventy-one years. It will be seen by this that they are in most cases buying their land at slightly lower rates than they paid in rent to the landlord. It is too soon yet to tell what the effect of this great measure will be, although the Irish farmers are very confident of the ultimate result—so much so that agrarian agitation is dying out, and the emigration from the country in 1903 and 1904 was the lowest since the year 1846, when the famine caused the Irish exodus, which has been going on ever since. Irish newspapers are pointing out to the people that there is now no cause to leave their own home, as they have a better prospect in their own beautiful country than they are likely to find in any other; and yet for the first year the Land Purchase Act was in operation, or rather for the eight months of the year, only £8,000,000 had been spent by the Government for this purpose. The reason for this was that it took some time for landlords and tenants to arrive at what was a fair value, indeed, in many cases, they are still trying to settle this matter. However, during the year of 1904 and 1905 the purchasing is going on at a heavy rate. Mr. Wyndham has promised that the Act shall be amended. The total cost of this great undertaking is put down at £112,000,000. A hundred millions is to be paid back by the tenants, with interest and working-expenses added. The balance of £12,000,000 is a large sum of money for the British taxpayer to find, but if it will settle the Irish question, as is confidently expected, it is the best bargain ever made by the British Government. To properly describe the land system of Denmark with the result that it has effected on the farming industry and of the people of that country, it is necessary to study briefly the agrarian history of Denmark during the nineteenth century. During the early years the peasants were practically serfs of the soil, having for the most part no security of tenure other than the will of the landlord. However, a great agitation was set on foot, resulting in the tenantry securing a fixed lease for life, covering both the lives of the husband and wife; at a later date this was improved by another form of tenure—an eternal lease, very like our lease in perpetuity, generally, however, subject to revaluation—but not

in all cases. The holder having the right to sell or even subdivide. As a rule, the rent was paid both in money and in kind, and by this means the landlord shared with the tenant the good and bad seasons; for if the price of farm produce was high or low the landlord received a proportionate amount for his part of the produce. The actual amount of rent received, therefore, varied year by year. Before going further, it will be as well to describe the condition of the farming community during this early period. The system of farming was of a most primitive character. The implements used were of the same kind that had been in use for centuries. Wooden ploughs and harrows were the best in use, the ground being merely scratched and not worked; manures of any kind were not generally used. A piece of land when worked out was abandoned to weeds and rubbish; as a result, what are now the best cultivated and fertile lands of Denmark were then for the most part overrun with hazel bush, blackthorn, sweetbriar, and other noxious weeds. The produce of the country comprised a little wheat, rye—the staple food of the people—oats, and a little dairy-produce was also exported to England. However, unlike now, it occupied a very unimportant place upon the market. Compared with our modern ideas, the condition of the people was deplorable, and emigration from their native land was the order of the day. Strangely enough, it was the war of 1848 and 1850 that led to a better state of things. Duke Ludvig of Holstein attempted to seize the Crown; although he was assisted by the North German States, the Danes were victorious, but the country was plunged into such depths of misery through the exhaustion caused by the war, that the tenantry clamoured to be relieved from a part of their rent, and this was generally obtained. This reduction in the rent at the time when the landlords had to face increased taxation through the war, had the effect of making many of them willing to fall in very readily with the altered conditions that were soon to follow. The year of 1852 and several years after were very good for the agricultural industry. Prices for all kinds of farming-produce went up enormously, and farmers for the first time for generations past found themselves well off; a great many of the most saving having large sums of money to their credit. The fear also of having the rent again raised had the effect of causing a general demand on the part of the farmers to be allowed to buy out the landlord's interest in their farms. The agitation was backed up by many landlords for the reasons I have already explained, but was fiercely resisted by others. However, an Act was passed breaking the entail of estates, and at the same time giving the landlord the right to sell. Amongst the first to sell his land was the King (Frederic the Seventh), whose tenants had all eternal leases. The war of 1848 and 1850 may be said to have been the means of introducing the freehold, but the war of 1860 and 1861 had the effect of causing its general adoption, as this war caused still further burdens to be placed upon the lands of Denmark, which made the position of the landlords almost intolerable, and it soon became apparent that a tenant farmer did not make the same returns from his land that a freeholder could. Almost immediately on the introduction of the freehold better systems of farming were adopted, also the best implements that the world's market could produce were steadily brought into use, resulting in better returns. With closer cultivation noxious weeds began to disappear. The ownership of the land brought with it other responsibilities; the taxes previously paid by the landlords now had to be paid by the tenant, but what was formerly a crushing load was now, through largely increased returns, a very small burden. Land rapidly rose in value, but now another danger began to loom up. The more progressive farmers, *i.e.*, those who were first to adopt better methods and better machinery, in fact, those who for the first time reduced farming to a science, began to steadily buy out their less progressive neighbours; among the most progressive were many of the sons of old landlords. Fearing that the country was likely to become depopulated by this means, and to prevent this, the Government passed a law to limit the amount of land that one man could buy. I will endeavour to describe this limitation system as follows: The unit or acre in Denmark is called a *tönde land*, equal to 1.363 of English acres, and the taxable limit for land-tax purposes is called a *tönde hartkorn*, that is, a given quantity of land that will produce a given quantity of hard corn (rye). It will be seen by this, that taxation by the Government is on the producing-value of land. The *tönde hartkorn* varies from 8 acres (English) of the best ploughing land to 300 of the poorest. Farms of between one and twelve *tönde hartkorn* are called *böndegaarde* (peasant farms); such a holding cannot be lawfully joined to or entirely merged into another. They may be subdivided and portions added to another holding, but the homestead—or if it is preferred, a new homestead of equal value—and portion of the land must be preserved as a separate holding. In 1895 there were in Denmark, 73,889 *gaarde* (farms), of which, 2031 were assessed at 12 *tönde hartkorn* or more, a few exceeding 100 *tönde hartkorn*, their total assessment being 56,832 *td. ht.*, or 15.4 per cent. of the country. Only thirty of these *gaarde* were not freehold. This class, of course, includes the *herregaarde*, or seats of the nobility. The freeholder of any of these holdings cannot buy an acre of land in his own name in Denmark; they are not, however, penalised in any way, but if they once sell a portion of their estates they can never repurchase it again. There were 71,858 holdings called *böndegaarde* (peasant farms), their total assessment being 267,302 *tönde hartkorn*, or 72.9 of all the land according to its value. As regards size, 44,557 were assessed at from 1 to 4 *td. ht.* 23,638 were from 4 to 8 *td. ht.* A very small percentage are leaseholders. There are besides, in rural districts, 159,147 *huus* (cottages), with land assessed at less than 1 *td. ht.* of which, 141,439 or 89 per cent. were freehold, and occupied by the owners. There are besides, 32,496 cottages without land, 61.5 per cent. were freehold, and occupied by owners. Of recent years, an annual sum has been voted by Parliament, out of which loans are granted to cottagers to purchase freehold plots, as much as 90 per cent. of the purchasing-price is advanced. There are no restrictions in regard to aggregation of holdings, amounting to less than 1 *tönde hartkorn*. It will be seen by the above that nearly all the land of Denmark is freehold, that is, owned and farmed by the occupier. The woodlands of Denmark cover an area of 665,584 acres, and are considered of so much importance to the country that private owners are restricted as to the annual amount that is cut down per year, and provision has to be made for replanting; further efforts are also being made to plant the worst lands of Jutland. The total area of Denmark, not including the Island of Bornholm, is about 9,393,945 statute acres, of which nearly 80 per cent. is agricultural.

The balance, 20 per cent., is waste land, nearly all in Jutland; this is mostly light land, but on the Island of Zealand and neighbouring isles, the land is very fertile. It will be seen that the total area is less than the Province of Canterbury, having, however, a larger quantity of fertile land. For so small a country the total area is very large. The exports and imports together come to £50,000,000 sterling, or about double that of New Zealand. The exports are almost entirely the products of the agricultural and pastoral industry, dairying taking the chief place. Such a large export of farm produce is a proof of the improved methods that have been introduced. Agricultural technical education has been very much fostered and encouraged, the State even going to the trouble and expense of sending children from the cities and towns out into the country to learn farming, and to encourage them to take to country life. More than half the total population is at present directly engaged at farming. Perhaps no greater proof of the success of the freehold can be found than the way the population of the country has increased of recent years. In the year 1800 the population was less than one million, this including the Province of Sleswig, which was a part of Denmark proper, but not Holstein, which was really a German Duchy. In 1900 the population numbered nearly two millions and a half without Sleswig. During the early years of the century the emigration from the country was very heavy, preventing the possibility of an increase. This emigration was heavy even as late as twenty years ago, and this colony has been one of the gainers, as quite a number of the pioneer settlers of the Forty-mile Bush are Denmark's sons. In the year of 1900 the emigration from the country only amounted to a little over three thousand. As a matter of fact, there are at the present time more people actually going into the country than are leaving it. The demand for labour at the present time and for a few years past is largely in excess of the supply, and according to a recent arrival to the Forty-mile Bush the wages of skilled and unskilled labour, taking the cost of living into account, is better in Denmark than in New Zealand. This statement is largely supported by Danish newspapers. The general result of the freehold tenure during the past forty years led to the breaking up of the large estates except in a few instances. To such an extent has this gone, that there is a move on foot at the present time to stop the cutting up. The total wealth of the country has increased enormously, and—unlike the great manufacturing country where the wealth belongs to a few, to the degradation of the masses—in Denmark it has elevated the masses, while the extreme wealthy are very few, and the competition to excel among farmers has reached an acute stage, the result being that every export from the country takes a leading place in the market of the world, notably butter, which has a hold on the London market, and in spite of keenest competition of other countries keeps a leading place. This leading place is only maintained by education of the masses, particularly the scientific education of the rural population. In fact, in all the sciences, art, and progress, she is among the most advanced in Europe, but perhaps above all should count the vastly increased health and physique, improved social conditions, and happiness of the entire population of Denmark.

62. Are the compilations the result of your reading?—So far as the Irish particulars are concerned, I have principally taken them from a paper known as the *Irish Freeman*, which is perhaps the most valuable paper in Ireland. I got the Danish information largely from Danish books. I may say I am living among a colony of these Danes. As far as the statistics are concerned, I went down to Wellington and ransacked the whole of the books in the Parliamentary Library for this information, I found it in the "Encyclopædia Britannica," which contains an extract from Starky's "Le Denmark," a book published by the Danish Government and sent to the Paris Exhibition.

63. Is there anything else you wish to say?—I have come here as a leaseholder myself who am looking for the freehold. My reason for asking for a better tenure is the high rate of interest I have to pay on borrowed money, and above all the present insecurity of tenure through the continual talk about revaluation and Fair Rent Bills. I have also been a witness of a good deal of annoyance by Land Boards, and that is perhaps one of the strongest reasons why I desire to be a freeholder. Personally I have received no annoyance, but I have been a witness of annoyance to others, principally in respect to the residential clauses. Some few years ago I was taking the members of the Land Board who came up as a visiting Commission around our district. We stopped one evening with a settler named R. Brown. Mr. Brown was the occupier of 210 acres of freehold and he held at the same time a lease in perpetuity of 100 acres about a mile distant from the freehold. He had at the time a comfortable homestead and farm buildings on the freehold property, and he naturally thought that that would be quite sufficient to get him out of building on the leasehold. The freehold was a larger property and better situated for homestead purposes. He brought this matter before the Commissioner and the members of the Board, Mr. Hogg and Mr. Stevens, and asked if he was not residing sufficiently within the meaning of the Act. Mr. Marchant, the Commissioner, replied, "Oh, certainly, it is not our intention to inflict any hardship on any one. We are satisfied you are not a dummy, and we think it would be a hardship after building this comfortable homestead to make you reside on the leasehold, which is not suitable for the purpose." Mr. Marchant, as Commissioner of Crown Lands, really endeavoured to do his best for the settlers. He was shifted out of his position and the present Commissioner took his place. Very shortly afterwards Mr. Brown was notified that he was not residing on his place, and that he would have to do so. Brown objected, and urged that he had already been given an exemption, but the Commissioner would hear none of it, and finally Brown received a letter giving him three months in which either to comply with the demand of the Land Board or forfeit his holding. Mr. Brown complied, costing him from £250 to £300 to build a house on the section.

64. How long ago was this?—About two years ago. Another case was that of a man named W. Nation. He was the occupier of 200 acres of lease in perpetuity, and he still has the same place. His land was all bush, and he had 70 acres of it felled and in grass, which was not sufficient five or six years ago when wool was at 3d. a pound for any man to make a living on. He succeeded in getting a billet to look after a neighbour's place. This section was convenient to his own section and he could look after both. The money he was earning in this way he was putting into improvements on his own

section so that he would ultimately be able to live on it. He was, I believe, likewise told by Mr. Marchant that as long as the Land Board was satisfied he was not committing dummyism no objection would be taken to the course he was following. However, after the change of Commissioners took place Nation also received notice that he would have to live on his holding, and he complied after receiving a final notice. The real hardship of the case was that Nation had a young wife with two small children. There was not another woman within many miles, and he had to go away to earn a living, leaving his wife on the place. The result of being left in such a lonely place was that the wife contracted a nervous complaint, and he had to bring her and the family away. His term of residence has now expired, and he is not compelled to live on the section any longer.

65. Is he living there now?—He has had to buy a place near the railway-station which has put him into financial difficulties in order to keep the section. Another case is that of W. Petersen, who is the holder of 100 acres of land unsuitable for dairying purposes. It is lease a in perpetuity subject to residential restrictions. The man had been occupying the land for eleven years, and how he comes to be under the thumb of the Land Board is as follows: He was actually in occupation of the land for eighteen months before the Act of 1892 was passed. Although he had been holding it under the then tenure he could not get a lease of it until such time as that Act was passed. He had actually been residing on it twelve years, but his ten years' period of residence under the conditions of the lease had not expired in January, 1903, when he was off the place. A dairy factory was established in the district, and the farmers took advantage of the fact to start dairying, but Petersen was in the unfortunate position of not being able to go in for dairying, principally through the fact that his land was unsuitable. He arranged with a neighbouring settler who had a suitable place to take a share in his dairy farm, and to milk the cows on shares, and as Petersen had a growing family, 15, 16, and 17 years of age, who were well able to milk cows, he took this place and was able in consequence to make a very good living. A short time after he was in occupation the ranger came round and discovered the fact that he was not residing on his own place, notwithstanding the fact that he had been an actual resident for twelve years. He then received a notification that he had to reside on his place, and after two or three letters passed he received a final notice that if he did not do so his holding would be forfeited. It placed him in an awkward position, and he came to me and asked my advice. I told him that as far as I knew the Land Board could not compel his wife and family to go back and live on his holding, but that he should go back and comply with the Act himself. This he said he did. Though he replied to the Board that he was residing on it and could prove so, they kept harassing him almost up to the expiration of his residential term.

66. Of course he still holds the land?—Yes. Another matter we complain about very much is that of the loading on our places. Our lands were loaded to the extent of 6s. an acre for 999 years, but we had no voice in the expenditure of the money. We did not know whether it had been spent or not, but we did know that we were paying interest all the time, and that we had to borrow money under the Loans to Local Bodies Act to make the road ourselves. We are thus paying interest on the 6s. per acre loading as well as on the local loan.

67. What became of the expenditure?—I could not say. I cannot find out, but certainly there has been a lot of Government money wasted in the district, I will not say spent, because it has been absolutely wasted.

68. In what way?—In the first place they made a number of tracks under the co-operative system, and the work was done in such a bad manner as to cause the money to be wasted, for the reason that when we came to make the roads they had to be laid out in a different manner and the tracks were useless. The turns were too acute.

69. You mean they had to deviate the road?—Yes.

70. Through bad grades?—Bad workmanship from the start.

71. To deviate a road means to take it another way. Did they abandon the track which was already made?—Yes. In places you could find although one track was made another one was afterwards made at a lower level to avoid the bends.

72. But it sometimes happens that you cannot make the best road at the beginning, you have to take the natural features into account and slightly alter it afterwards. Was that done in this case? Did it go over a hill instead of round?—It did not. The road was surveyed correctly. It was under the control of the co-operative overseers.

73. It was made under the co-operative system?—Yes.

74. Is there any other matter you wish to mention?—Yes—viz., the fact that settlers who take up land under the homestead system are restricted to 320 acres. This fact was pointed out to me by a settler living at Pongaroa, who asked me to bring it before the Commission. The land is not of very good quality there, and 320 acres is not sufficient to enable a settler to make a living. This settler urges, and I think very justly, that this limit should be done away with, and that a settler should be allowed to take up land up to 640 acres, which would enable neighbours, where they are unable to make a living now on their present holdings, to buy a man out, thereby raising the holding to 640 acres and so make a good living for one.

75. Have you had any experience of the Advances to Settlers?—Yes, I have got money from them on one section, and I have got money from a private money-lender on another.

76. Which do you think is the better way of raising money?—Of course, being a leaseholder, the Advances to Settlers is the best system on which you can get money, so you would think, but unfortunately in many cases the opposite has been the rule.

77. What was your experience?—I did not apply personally for this money. The section on which it was raised I bought from a neighbour.

78. Do you think the system is a good one if you can get the money?—That is so. I have nothing to say against the system, but from what I hear in my district the Advances to Settlers Board do not appear to attach the same value as a security to a lease in perpetuity as they do the freehold or lease with right of purchase.

79. *Mr. Anstey.*] Can you give us a comparison as between the advances-to-settlers system and the system of raising loans privately?—I paid 8 per cent. to a private money-lender on a lease in perpetuity, and to the Advances to Settlers Department 5 per cent.; but at the same time that I paid 8 per cent. my freehold neighbours were getting money at $4\frac{1}{2}$ per cent.

80. How did the expense of getting the loans compare?—In my own case I believe it was about the same, but, of course, I am not going to say that for all cases. My expenses were very low. The unfortunate part of the Government system is that many a settler has had to pay the valuation-fee, but he has not got the money. I did not do that.

81. But they do that in the case of private firms?—No doubt that may be so.

82. Were the charges low in both cases?—I do not complain of the charges.

83. That is not quite an answer to my question. We want to find out if the Government charges are reasonable or not as compared with outside charges?—It was the first time I had raised a loan, and I had no previous experience of raising money. Certainly I thought it dear enough, but the charges were about the same in both cases.

84. Can you give us the amount of the charges?—The total cost of raising £500 on my place privately was £7, and in the case of the Government loan I think it was for £320 about £5. I have never heard complaints of the charges. Of course in the case of raising loans privately it is very much a matter of bargaining, and I made the best bargain I could. The Government charges are fixed. I should say the Government charges are lower.

85. You are representing the executive of the Farmers' Union?—No, excepting in regard to the papers which I have already placed before you; but I am vice-president of the Wellington Provincial District.

86. You are not authorised to represent the union?—No; I represent the branch of the union.

87. Have the branch of the union approached the Government with a view of granting the right of purchase?—In my particular district they did. With two or three exceptions I believe every settler sent in a request for the freehold, but I do not know that that has been done generally. A good deal has been said as to the Farmers' Union having begun the agitation for the option on the part of the Crown tenants. I may here say that I am a member of the colonial executive, and I was present at the meeting when this matter was arranged, and if it is of any interest to you I will shortly explain what took place.

88. We would like to have it?—Well, we received one day three petitions from settlers up the Rangitikei line asking that the union should take steps to send out petitions to the settlers to sign asking for the freehold. One of the members of the executive suggested that the petitions should be circulated throughout the whole colony to every settler to sign—whether freehold or leasehold—but I objected, owing to the expense. I thought it would be rather a big order for the union to take on, and I suggested, on the other hand, that petitions should be drawn up for the leaseholders to sign if they wished, and that copies of this petition should be sent to branches of the union, but not to the settlers themselves.

89. You say that three petitions came to the union from Rangitikei. To whom were those petitions sent?—To all leaseholders.

90. They came to your executive, and thereupon you circulated a petition amongst all the branches of the union, all over the colony practically?—Yes.

91. Supposing that you got the option of the freehold, upon what terms would you want it?—At the original value plus the 1 per cent. difference between the lease in perpetuity and the lease with right of purchase.

92. Have you considered that there is a difference in value between the two forms of tenure?—Yes.

93. Do you think that a freehold is worth 1 per cent. more than a leasehold?—Certainly I do, if it is only in respect to raising money. But there is a greater advantage. At the present time our leaseholds are practically unsaleable, and then the Valuation Department do not allow by any means the same value for a leasehold in my district that they would upon an adjoining freehold for land-tax purposes. My land is valued at the present time at say, £5, but a neighbouring freehold of the same quality, and in many cases inferior, is valued at £8.

94. You say the lease in perpetuity is practically unsaleable. Is that the case in this district?—Yes. When I say practically unsaleable, I mean at a reasonable value for your improvements.

95. We have had evidence that the leases in perpetuity are very readily saleable at enormous premiums?—I believe they are in the South Island.

96. But we have evidence to the same effect close to your own doors?—Upon bush land?

98. Yes?—That is not the case here.

99. With regard to giving the right of purchase, would you include in that the right of purchase under the Land for Settlements Act?—I think it would be only right to do so. The circumstances are very different. The bush settler, or man who takes up his land under the Bush and Swamp Land Act or the Act of 1892, has practically to make his land, while the settler in the other case takes up his land readily improved. Furthermore he has a larger interest in the land. My land is valued by the Crown at £1 10s. an acre, or I am paying interest on that amount, and the Crown's interest I assume to be worth between £4 and £5 an acre. Therefore they have the bigger interest in it. That is not the case under the Land for Settlements Act, but I do believe that you will get better farming if you give these people the right to buy the freehold, and they would make more out of it.

100. Supposing we gave these lease-in-perpetuity settlers under the Land for Settlements Act the right of purchase, upon what terms should they get it? Would you charge them rather more than 1 per cent.?—Under the Land for Settlements Act the settlers are paying 5 per cent., and are allowed a rebate which brings it down to $4\frac{1}{2}$ per cent.

101. You say that these people have a fixed tenure and that they want a tenure which is worth at least 1 per cent. more. If you are going to give them that tenure, would you not charge them something more than 1 per cent.?—No. You value the land at the amount which the Government put on it at the time it was taken up. I cannot admit that the settlers in the case of bush lands should have any concession over those who have paid the 5 per cent.; but, in fairness to those settlers who pay the 5 per cent. under the right of purchase, I think the man who holds his land under the lease in perpetuity should be called upon to pay the same rate.

102. You told me distinctly that the freehold was at least 1 per cent. a better tenure than the other?—I gave you the reason for it. I said for raising money.

103. If the freehold is a 1-per-cent. better tenure, why will you give the lease-in-perpetuity settler under the Land for Settlements Acts, who has a much better tenure, the freehold without charging him something for it?—Why should you charge them something for it? There is no comparison.

104. Then you advocate giving them something for nothing?—But they are paying an increased percentage at present. They are paying 4½ per cent.; and we are only paying 3½ per cent. It only brings us to the same level as they.

105. But, notwithstanding the fact that you are giving them a much better tenure, you are not charging them this additional 1 per cent.?—No; I do not do anything of the sort. I would give them the right of buying the land at the original occupation value, as they pay a big rate of interest. With us it is quite different. We are only paying 3½ per cent. on our money by taking advantage of the rebate, and it is only fair to those people who took up land under the land for settlements that we should be called upon to pay the same rate as they pay. With regard to the Land for Settlements Act these settlers are already paying the same rate as the settlers who took up land under the lease in perpetuity and have the option of the freehold have been paying; so that, why should they be called upon to pay any more? If it comes to the question of the increased unimproved value it is a different question altogether.

106. You gave us several instances of hardship with respect to residence conditions mostly. Do you think that the residence clause should not be insisted on in regard to the settlement of Crown lands?—It all depends on the circumstances. There are instances, such as I have quoted, where the Act gives the Land Board sufficient rope to enforce them or not.

107. You think they have not administered it fairly?—No; they have administered it according to the letter, but not according to the spirit.

108. Then it is in reference to such cases that you object to the principle of insistence on residence. Do you object to the principle generally?—No.

109. You think it a wise provision then?—I think the residential clause is a wise provision, because if you do not have such a clause the chances are a large proportion of our colony would not be inhabited at all.

110. With regard to Crown lands which are under the optional tenure, do you think the same conditions should apply to them—and, in fact, to all tenures?—I do, particularly the freehold. I think that no man because he has money should be given the option of escaping the residential clause. I think the conditions should be all the same. At the present time the poor man is penalised.

111. Is there any objection to the cropping regulations which the Act enforces in this district?—I have read the cropping regulations and I think they must act harshly in this district, but, at the same time, unless you give the settlers the right of buying the freehold, I fail to see how you can dispense with some such restrictions.

112. Do you say that the same restrictions should apply to the freehold as to the leasehold?—You are speaking now of cropping restrictions?

113. Yes?—If a man has got the freehold of his land that is a sufficient restriction. He would not be likely to wear it out.

114. But do you think it would be wise to impose cropping restrictions on the freehold?—Certainly not, because his own title would protect the land.

115. Supposing he chose to lock it up and allow it to run to weeds, you would not interfere then?—The man who does that is ruining his own land and himself.

116. Unfortunately we have seen many such cases in our travels?—There you have had an advantage that I have not had.

117. Well, you think a freeholder should be allowed to do what he likes with his own without any restrictions as to cropping?—I have always been under the impression, from my own experience, that a man having the freehold of his land has what is always a sufficient restriction in the way of improvement which would depreciate his land. If it were not so I should say there was a very good case for the Land Act to step in.

118. *Mr. McCutchan.*] You made the statement that in Ireland revaluation led to depreciating the fertility of the soil?—Yes, not in all cases: that is a general statement.

119. Was that information got from the *Freeman's Journal*?—Yes, and also from Irishmen themselves.

120. You are aware that that is an ultra-Radical paper?—Yes.

121. Do you think that they might have overstated the case?—No; the facts and statistics which they quote go to bear out their statement.

122. You said that in Ireland excessive subdivision was a result of the freehold?—Do you think it might have the same result in this colony?—It is having that effect, unfortunately. In some cases in Taranaki, I believe, the holdings are now too small.

123. Do you know of any individual instance?—No; only hearsay instances, but I still believe that it is the case.

124. You cannot give any exact instance?—Not individually; but land has been cut up and sold in Taranaki where the holdings are too small.

125. You mean under the Land for Settlements Act?—That has been a blunder in the same way. In some cases, while the estates have been cut up too small, I think, perhaps, in other cases they have been a bit too large. I am speaking of the subdivision of freeholds generally, during the boom in dairying.

126. I come from Taranaki, and I know the province fairly well, but I cannot call to mind a single instance where such subdivision has been going on. There may have been some sections a little small in the beginning, but I am not aware of any excessive subdivision?—Do you not think it would be excessive subdivision if the price of butter-fat fell from 9d. to 6d.—that is what I mean.

127. It is possible. Are you aware that the purchase of estates by the Government has induced, to a certain extent, the private owners of large estates to cut them up?—Yes.

128. Has the action of the British Government in Ireland had the same effect?—No. As a matter of fact there has not been sufficient time for the Act to operate.

129. Is it not the case that, in the Counties of Roscommon and Tipperary, several large estates have been cut up by the owners and disposed of to tenants on eighteen years' purchase?—Yes. You are speaking now of the present Irish Land Act?

130. Yes, under Mr. Wyndham?—Certainly. I made that statement in the paper I have placed before the Commission.

131. Is not that Act having the effect of inducing private owners to cut up their estates themselves?—Yes; but it is Government money which is buying them. I understand that the matter was arranged between the landlord and the tenants, the Government merely finding the money to buy out the landlord's interest. I explained that in the statement.

132. You spoke of a doubt in the minds of Crown tenants with regard to the passing into law of a Fair Rent Bill and revaluation. Can you state definitely that the Fair Rent Bill was to have a retrospective effect?—Yes, I believe it did.

133. Have you seen the Bill?—Yes.

134. What provision was there in the Bill which led you to assume that?—Where it specially dealt with Crown lands.

135. But was it to apply to the Crown lands now settled under this Act, or to public settlements in future?—That was ambiguous; but according to the statement of Sir Robert Stout it undoubtedly affected existing leases. If it did not effect existing leases there was no necessity for the Bill.

136. Is it not the case that no legislation of a retroactive nature is ever adopted unless there is provision for compensation?—But not in our case, because it only applies to the unimproved value of land.

137. Is it not the case that the Government have acknowledged that the goodwill, which is really the unimproved value, is the property of the tenant?—Under the present title, yes.

138. Where does your trouble come in, then?—Under the Fair Rent Bill we should lose that.

139. If it were retroactive?—Yes.

140. I have had an opportunity of seeing the opinion of Sir Robert Stout, and I have not read it in the way you have?—I took it for granted from what I saw of Sir Robert Stout's statement in the House and outside, that it was retroactive.

141. Did you see a letter written to the papers by Mr. Vile, in which Sir Robert Stout's opinion was quoted?—No.

142. If a revaluation clause were inserted in leases to be issued in future, what effect would it have in your opinion upon the settlement of the remaining waste lands of the Crown?—It would have the immediate effect of barring any poor man from taking up land, because the men who go into the back country to carve out homes are invariably poor men. I can speak of that from experience. We went there with our labour, and we had to rely on the money-lender to raise money to enable us to improve the land, stock it, and put up buildings, and if we had had such a title as you speak of we absolutely could not have touched those improvements. It would have meant that men with money only could have taken up that land and cleared it with the intention of making a certain amount out of it.

143. If the aims of the Trades and Labour Councils with regard to revaluation are carried into effect, and their desire is that the land should be revalued upon the death of the lessee or the transfer of a lease, what effect in your opinion would that have on the colony?—It must have a disastrous effect, inasmuch as it would paralyse improvements. Taking my own case, I cleared my land, grassed it, and fenced, but in some cases I had to do the grassing and fencing several times over on account of slips. I have improved my place to the extent of several pounds an acre, and if I sold the land it would not bring what it has cost me. If I were subjected to revaluation I would not do that improvement work, I would not cut a Californian thistle, but simply take all I could out of the land for the time being. I would let it "rip," and take what I could out of it.

144. Do you think there is any real danger of the desire of the trades and labour people being carried out, or of their carrying their wishes into practical effect?—I would not like to say that there is, because I believe that if the matter were put to a test we landowners in the colony would be prepared to fight to the bitter end for what we have, and I think the Trades and Labour Council would not be able to tackle us on our own ground.

145. Is it not likely that in the event of any such attempt to carry retrospective revaluation into effect that such attempt would be resisted not only by the settlers upon the land, but by a large majority of the people in the towns, and by the far-seeing men in the ranks of this trades and labour organization?—I hope you are correct, and I believe you are; but I would point out that the very talk of revaluation and the Fair Rent Bill is practically ruining your holding as a security upon the market, and it must also have a very serious effect upon every acre of leasehold land in the colony.

146. You are aware that the people of the colony cannot call themselves a prolific race, the law of family tenancy is fairly strong throughout the colony: do you think that if a revaluation clause

were inserted in this Act it would have a deterring influence upon a most desirable class of immigrants?—I am sure it would.

147. You have brought up this question of an increased population, but I would point out that as far as the country settler is concerned that charge cannot be laid against them. It only applies to the large centres, to the towns. Therefore, if we want the population to increase we must encourage our people to settle on the land.

148. This question of loading is a cause of great heartburning amongst the settlers: is it not possible to do away with the loading by the Government, and provide a finance to enable the settlers in these blocks to borrow the amount required for roading under the Loans to Local Bodies Act, and thus wipe out both principal and interest?—That would be a cheaper and more satisfactory way, because then the settlers would get £1 value for every £1 spent, and at the present time I can give instances where they have not got more than 7s. 6d. for every pound spent.

149. Do you think the expenditure would be more economical if the money were placed at the disposal of the settlers themselves?—The settlers would spend it faithfully.

150. Is it not the case that in respect to many of these blocks the settlers actually get the work themselves?—That is so.

151. Where does the unnecessary expense come in?—It is under the supervision.

152. Is there not very efficient supervision in the Wellington Provincial District?—I think it is too efficient. I think there is too much supervision, and no necessity for any other supervision than that of the local body. They are quite competent to supervise these works, and have an adequate staff to control the work without other interference.

153. Are there any Road Boards in your county?—None. I am a member of the Mauriceville County Council, and we control the whole of the county.

154. Do you think the dual construction of works by the Government and the local body, within the same area, is unwise?—Most unwise, expensive, and unnecessary.

155. Do you think a system of contracts is a more economical way of expending money than day-labour or co-operative works?—Generally, yes.

156. Is it not the case that in your county, under County Council control, you get work more economically done by day-labour under efficient supervision than under the contract system?—Yes, we generally adopt that, provided we can get a good overseer to take charge of the work.

157. In reference to the statement that there is discrimination on the part of the Advances to Settlers Board between the lease in perpetuity and occupation with right of purchase and the cash tenure as securities, we had the statement from Mr. Griffin, in Hawke's Bay, that there was no discrimination, and that the State looked upon the lease in perpetuity as equal in value with regard to the raising of money to the occupation with right of purchase?—I do not believe so.

158. He made the statement quite clearly?—He may be speaking for himself, but such is not the case in the Wellington Province, and in my own district in particular.

159. Can you give me any concrete instance?—Yes; but if you will only wait for a settler who is to follow me, and who is better posted with the particulars of the case, he will give them to you.

160. *Mr. Paul.*] You said in examination by Mr. McCutchan that if you had a farm and there was a revaluation clause in the lease you would not cut down a Californian thistle: was that a fair statement or an extreme one?—It was a fair statement. I would let the place "rip."

161. How long would it take to ruin your land under those circumstances?—I would judge, by what I have seen of the Californian thistle, that it would take but a very few years.

162. And your income from that land would be correspondingly less as it became overrun with weeds?—Yes.

163. Do you think that would be sensible from your point of view?—It would not be perhaps taking one view of it, but from another view perhaps it would be, because I would be making all I could out of it for the time being, and letting the next man look after it afterwards.

164. But you cannot make anything out of a farm if you let it run to weeds?—I should protect it sufficiently to see my term out. I can quote an instance: Some time back I was given the opportunity on a man's land of looking at some hoggets; they were a splendid lot of hoggets, and he had a fine crop of turnips to run them on; I said "That is a very good crop of turnips," and he said "Yes, I am going in for continuous cropping; this is an education reserve; I have twelve years to run, and I am taking all I can out of it during that time, and when I am done with it will not be worth much to anybody."

165. Is it not understood that a green crop fed off the land does not necessarily depreciate the land?—But he was not going to fatten off the green crops, but to grow more crops.

166. What were the conditions of the education lease in reference to cropping?—None whatever. Under the lease there was absolutely no restriction.

167. Where was the lease?—It would be in the Wellington district, up Rangitikei way.

168. Can you tell me exactly where it is?—Waitahuna West.

169. You are sure there were no cropping conditions?—He told me there were not.

170. You have seen other holdings that are leased?—Yes.

171. And, generally speaking, they are badly farmed?—As a rule they were farmed for all that could be made out of them. I come from Canterbury. I have seen farming under all conditions. I have seen leasehold farms in Canterbury, and the man who lets his farm on lease, unless he is able to keep a very watchful eye on it, is a very foolish man.

172. Speaking of leasehold lands in Canterbury, did you ever see the Timaru Education Board endowments?—No.

173. There is a big endowment there, and I have had the pleasure of visiting one of the settlers and seeing the improvements on the farm, and I did not see any bad farming there?—Are you a farmer.

174. No, I am not?—How are you to judge, then.

175. A man of ordinary common-sense and discernment can tell?—It is not a question of common-sense, but of practical knowledge.

176. I say a man of ordinary common-sense and judgment can tell whether a paddock is fertile, and well farmed, or whether it is being allowed to go to pot?—Can he tell whether the generating substances of that land have been exhausted or not.

177. Do you know if the price paid for land under the Land for Settlements Act is a fair price or an excessive price?—There is a good deal of controversy about that question. After all the price may be high, but it is often a question of bargaining. As far as I can ascertain in some cases the price paid may be dear, while in others it would be cheap. It is a very hard matter indeed to determine.

178. Do you know the law of mortgage in Denmark?—I do not know much about it, but I know there is a limit as to the amount of interest allowed to be paid. I think the limit is 5 per cent.

179. Do you know how many freeholders are mortgaged in Denmark?—No; but with regard to the question of a freeholder being mortgaged, I would point out that I could take up a freehold, and, provided I have the advance of cheap money, I would carry as much mortgage on it as I could get, provided that I could see my way to make the interest and a bit more out of the investment. It is a question of financial arrangements.

180. In your experience are there many mortgages on freeholds in this district?—That I cannot say, but I have no doubt there are a good many. Why should not there be? The leaseholders are also mortgaged.

181. You think the constitution of the Land Board is satisfactory?—No. I should suggest elective Land Boards.

182. Wholly?—Yes.

183. On what franchise?—It would be right to have it on a universal franchise, but for the expense. You must recognise that every one has an interest in the Crown's estate, but I am rather afraid that the expense of such a proceeding would be out of the question.

184. What would you suggest?—The cheapest way would be through the medium of the local bodies, which of course represent ratepayers only.

185. You think that would be fair and democratic?—I do not think it would be, but it would be cheap, and I think effective.

186. Then you would rob a large number of citizens in the country of any voice in the control or administration of the lands of the colony?—Nobody has any voice but the Government themselves at the present time.

187. But the Government nominate from the people?—If it could be shown that such an election could be carried out cheaply, I would certainly say have it on as democratic a principle as possible.

188. For preference, the parliamentary franchise?—Yes.

189. Has the general administration of the Wellington Land Board been satisfactory?—I should say not.

190. You mentioned Mr. Marchant having been shifted: did you wish to imply that that was done under political influence?—Nothing of the sort.

191. You think the transactions of the Land Board in the past have been unsatisfactory?—The transactions apart from the Commissioners. Mr. Marchant was a first-class man for the position.

192. How many men are there on the Board who are not suitable for the position?—From my experience of them I cannot call any of them suitable. They are all generally unsuitable.

193. Is it a fact that, owing to the very high price of land, many men who wish to take up land have had to put up with too small areas?—That I could not say, but if a man cannot afford to buy more than a certain quantity of land, and he wants more to meet his requirements, of course he must put up with the want until he can make more money to buy more.

194. Do you believe in any system of leasehold from the State without the option?—No.

195. Reverting to the Land Board, you do not know where hitherto any of its administration has been satisfactory?—I would not say hardly any. I am speaking in general terms. I am not going to condemn the whole system because the Board did not do what I thought they had a right to, but I can give you an instance of bad administration. They have cut up land into too small areas for a man to make a living on.

196. You quoted the case of Mr. Brown, and in that connection you mentioned Mr. Hogg's name: did you wish it to be inferred that you thought Mr. Hogg had acted harshly in connection with that case?—I said at the time that the Commission who visited the district were Mr. Marchant, Mr. Hogg, and Mr. Stevens, and that they granted the request of the settler in question.

197. You are a candidate for Parliament for this constituency?—Yes.

198. You are not making any of these charges for the purpose of political capital?—No.

199. I do not wish that to be inferred from my questions for a moment, but from what I understand, Mr. Hogg and Mr. Stevens are on the opposite side of politics from you, and I just wish to ask you the question, Are you making any of these charges for the purpose of political capital?—No. If I wished to use the matter politically, I would not have mentioned a name at all.

HARRIE KEENE examined.

200. *The Chairman.*] What are you?—I am a settler, and hold 275 acres under lease in perpetuity, at Putara, Nireaha, seven miles from Eketahuna. My rent is 4 per cent. on 15s., and I have held the land since 1894. I am here to represent a number of other settlers in the Nireaha district. I represent twenty-one settlers, and on their behalf desire to read the following letter:—

“To the Members of the Land Commission, sitting at Masterton.

“SIRS,—We, the undersigned Crown tenants of Nireaha, seven or eight miles beyond Eketahuna, respectfully request that you will accept our joint views on the land-tenure question, as presented by deputation

in writing, as we are unable, through exigencies of farm life and the distance to be travelled, to attend the sittings of the Commission at either Masterton and Pahiatua. We respectfully submit that, as Crown tenants, we are labouring under serious disadvantages. We are unable to procure that financial assistance which is necessary to the proper and speedy development of our holdings, through the nature of our tenures. We are of opinion that, not only upon sentimental reasons, but for the encouragement of thrift and industry, the option of the freehold should be granted. We would point out that several holdings in the Nireaha Settlement, which had been surrendered, were allowed to be taken up under the right of purchase, and at reduced rentals. We object to the loading of our sections for roads for perpetuity, and would be prepared to pay for our freeholds the difference between the lease-in-perpetuity rentals and the rental paid under the right of purchase." [Signed by twenty-one Crown tenants.]

The settlers I represent, who have taken up heavy-bush land, consider their case is totally different from that of the settlers who have taken up improved land under the Land for Settlements Act, under the lease-in-perpetuity system. A settler taking up heavy-bush land is not able to take anything out of the land until he has spent considerable time upon it and done a lot of hard work. As a rule, men who take up this class of land are without capital. Most of these settlers, after doing certain improvements, have obtained small loans from the Advances to Settlers Department. That has been of some assistance to them, but they sometimes require more money, and when they have applied they have in certain cases been refused, and in others the amount offered has been so small as to be useless. It is no use applying for an advance to any one else, because the security is not looked upon as a good one. The land has been loaded from 2s. 6d. to 5s. an acre for roading. This the settlers object to. They thought the money would be spent without delay and that they would be given access to their land. There is no doubt that some of the money has been spent, but the settlers have never had any account of it. The settlers, without exception, have had to get large loans through the local bodies to make their own roads and metal them. They have to pay interest on that money, and at the same time they are paying rent and interest in perpetuity to the Government for the loading of their land. I might mention that the loading on our block was £750; £370 of that was expended in an education reserve, and until three years ago that reserve did not contribute anything towards the road nor towards the loan. We consider that that reserve ought to contribute its far share towards the roads, and it ought to have contributed years ago. We took up this unsurveyed land, and a promise was given that access would be given to the land, and we deposited the survey money before we took up the land. The work of surveying, I contend, was not properly done. I would like also to draw attention to the fact that the Mangatainoka River encroaches a good deal on the property along its banks, especially on the rich flats. Some settlers have done protective work, but others are not in a position to do so. In one instance, an application was made to the Advances to Settlers Department for a loan to protect the land from the encroachment of the river, but the application was declined. With regard to the freehold, the land in this block was taken up under the optional system. Some settlers—I amongst them—believed at the time that the lease in perpetuity was as good as freehold, but we have learnt by experience that it is not. It appears that the improvements in the case of a lease-in-perpetuity section are not valued the same as under occupation with right of purchase. My brother-in-law has been able to put part of his section in grass, and reap the benefit of it last year by the good price of wool, and he nearly paid off the value of the land, and he had not a sixpence when he went on the land four years ago. If I had the opportunity to do the same as he has done I would be in a similar position. I could mention instances in our valley where sections have been unfairly forfeited. I desire to point out that, in the case of settlers taking up unsurveyed land, it sometimes happens that only a triangular survey has been made, and, having some knowledge of surveying, I can mention instances to prove what I have said as to the unsatisfactory nature of the survey.

201. *Mr. Anstey.*] Are all the settlers who have signed the document you have read lease-in-perpetuity tenants?—Yes.

202. Have you any idea whether the 5s. was sufficient to road the block?—Yes.

203. And the block was not roaded?—No.

204. Then either the loading was not spent, or it was wastefully expended?—Yes.

205. You say that the amounts advanced by the Advances to Settlers Department are not sufficient?—That is so.

206. There is a proposal to increase the advance on improvements up to two-thirds: do you think if that were done there would be ample security for the loans?—Yes.

207. If you were a money-lender would you lend up to two-thirds of the value of improvements on leaseholds?—Yes.

208. Are there many settlers who would be prepared to purchase the freehold if they were given the option?—Not many.

209. The object of some settlers in desiring to get the right of purchase is simply to enable them to finance better, is it not?—Yes, that is one reason, and also that they may get the freehold.

210. Supposing the trouble in respect to finance were to some extent removed, would not that make the tenure satisfactory?—No, I do not think it would, our minds are so unsettled. I also wish to say something about timber rights. Some three years ago certain parties had such very heavy timber on their land that they could do nothing with it, and sawmillers offered to buy the timber. Immediately it was heard in Wellington the Department asked that the money be sent to Wellington, and added they would allow it to go for rent. That question was threshed out and the Crown Law Officers decided that the Department had no right to ask the settlers to deposit the money.

211. *Mr. McCutchan.*] You say that the education reserve is not included in the loan area?—It will not be until the land is occupied. We contend that the reserve ought to have been paying the whole time. It was not occupied simply because it was not put in the market.

212. You spoke of the river encroaching and settlers being subject to loss to fires, floods, and land-

slips. Would you advocate the abolition of the rebate and using such funds to meet severe losses incurred by river-encroachments, &c. ?—Not unless we get the option of the freehold.

213. Are the settlers generally doing fairly well ?—Yes, I suppose so, but for a number of years they did nothing at all. It is the good price of produce that has enabled them to do fairly well.

214. It was an act of grace giving you the rebate ?—It was not promised when we took up the land, but I understand that in some instances Land Boards give rebate and in other cases they do not.

215. Then other considerations besides prompt payment are taken into consideration ?—Yes, I suppose they are.

216. *Mr. Paul.*] What experience of the Land for Settlements Act have you had ?—I would rather not say anything about that, because the conditions under which that land is taken up are totally different from land in rough bush districts.

217. In respect to the way in which people look on lease-in-perpetuity land in the matter of advances, is it the condition of bush settlement or is it the tenure that makes the difference ?—There is no doubt that it is the tenure that makes the difference.

218. Have you improved your section ?—Yes, I have done a good deal in that way.

219. You will not say that the loading has not been spent, but you do say that the settlers have not got access to their holdings ?—Yes.

220. Do you think the Crown spent 5s. an acre ?—They say they did, but we have not been able to get any statements of the expenditure.

221. You cannot tell the Commission what is the real position so far as the loading is concerned ?—I can tell them that these settlers are confident that not half the money has been expended.

SINCLAIR MUNRO GEORGE examined.

222. *The Chairman.*] What are you ?—I am a farmer holding 200 acres under lease in perpetuity in the Mount Vicker Block, about six miles from Alfredton and eight miles from Eketahuna. I have held the land about ten years, and pay £12 4s. per annum rent. I am not satisfied with the lease in perpetuity, and would prefer the right of the freehold, because of the agitation for the Fair Rent Bill. I bought the section after it had been taken up by another man. I always held an opinion in favour of the freehold, and I was told at the time I took the section that I could get the tenure changed. I was misinformed. I object to the loading of sections for roads. We are loaded 6s. per acre and have had to raise a loan to form our own roads.

223. In your case was the loading not expended ?—It was not expended in giving access to our lands. Bridle-tracks were made in the centre of the blocks for some of the settlers.

224. Is there any other objection you have ?—I am representing one or two others in Rakaunui. My brother took up a lease in perpetuity of 20 acres. He felled the bush and grassed it, and did his share of the fencing. His neighbours were not in a position to do their share, and consequently the land was of no value to him for putting stock on. He had at that time teams of horses and bullocks, and most of his time was working away from the section. He received notice from the present Commissioner that he must reside on his section. He informs me that he wrote to the Commissioner stating that the place was too small for him, and that he really could not stay on the place as it would not keep him, and that consequently he had to be away with his team in order to make a living. After receiving the letter he went to live on the section, on which he had built a house, and remained there about three months. At the end of that time he left the section to do some metalling in Alfredton. The next thing that occurred was that he got word from the Commissioner that the section had been forfeited for non-residence. It is pretty well three years now since that took place, and he is of the opinion that the section has never been offered since. The house is empty, and everything is going to ruin, and he thinks that when it is offered he will get very little out of it. He was not quite clear as to whether the section had been offered or not, but has written a letter asking for information to which no reply has been received. I think that £74 was put on the house and fences at the time the section was forfeited. He thinks it very hard that he should be treated in this way. He did more than any other settler there, and should have been treated more leniently.

225. *Mr. Anstey.*] Was the loading of 6s. per acre sufficient to have roaded the land ?—Quite sufficient.

226. You are sure of that ?—Quite certain.

227. Was the money spent ?—It was spent, but wasted. It was done under the co-operative system.

228. If spent properly it would have been enough to road the block ?—Quite sufficient.

229. *Mr. Paul.*] Did the settlers do the work ?—No, it was mostly done by gangs from Wellington and Canterbury.

230. What is wrong with the co-operative system, supervision or the system itself ?—I think they had bad overseers or engineers. There is a place where they formed a road, and when a competent engineer came along afterwards, another road had to be made, and the one first formed is high and dry and never used.

231. It was more the fault of the supervision than the co-operative system ?—Yes, I think so.

232. Would you be satisfied with the lease in perpetuity if there was no Fair Rent Bill ?—No.

233. I understood you to give that as your objection ?—That is my main objection.

234. If you held a lease in perpetuity and paid too high a rent, and a Fair Rent Bill came in, and it rested with you whether you got the rent reduced or not, would you be in favour of such a Bill ?—No, I do not believe in the Fair Rent Bill at all.

235. You think a tenant should stick to his bargain with the State ?—Not exactly. The lease in perpetuity is put in a very funny predicament. A man on the lease in perpetuity cannot borrow. I have a section which is valued at £1,174, and all that I have been able to get on that section from the Advances to Settlers Department is £125. A man can do nothing with that.

236. Could you not get more now if you asked for it ?—No, I do not think so.

PATRICK CORRIGAN examined.

237. *The Chairman.*] What are you?—I am a farmer holding 200 acres under lease in perpetuity in the Pioneer Farm-homestead Association, about six miles from Mangamahoe. I have had it for fourteen years, and I pay £12 8s. per year. It is all in grass except a few acres. I would like to have the option of the freehold. My great objection to lease in perpetuity is the fear of revaluation. Even with that fear removed I would rather have the option and pay the difference in interest. The freehold is a more secure tenure. I cannot say much about borrowing. I got a small advance about nine years ago without much trouble, but it was easier to get an advance then than now from the Advances to Settlers Department. I object to the loading because in our case it was wasted, and we had to make the road ourselves.

238. Supposing you got the right to purchase these lands, would there be many in a position to exercise that right?—I do not know anything about the private affairs of other people, but, to a certain extent, I would.

239. Would it be an advantage to you?—Yes.

240. Upon what terms do you want the right of purchase?—At the price at which we took the land up—viz., £1 11s. an acre.

241. You are paying 4 per cent. on that?—Yes, but I would be willing to make up the difference of 1 per cent.

FOSTER PERCY examined.

242. *The Chairman.*] What are you?—I am a farmer holding 380 acres under lease in perpetuity, and 100 acres of freehold at Mount Baker Block, in the Pioneer Homestead Association. I pay £12 a year for my leasehold, and I am satisfied with the tenure. What would suit us best would be for the Government to help us with the roads, which are bad all the year round. I also think that the farm-homestead settlers should be allowed to hold larger areas. The present area is too small, especially where there is no dairy-farming. The limit at present is 320 acres, and, the sections being 200 acres each, one settler is debarred from buying another out. We should be allowed to hold up to 400 acres in the front and up to 1,000 acres in the back blocks.

243. *Mr. Anstey.*] Can you suggest any better system of finance to enable you to get the road?—We have gone to the expense of putting the roads there ourselves, and we think the Government ought to metal them.

244. What rates do you pay to the County Council?—I think it is $\frac{3}{4}$ d. in the pound general rate, and $\frac{1}{4}$ d. in the pound special rate.

245. Do you suggest that the Government should make a grant to metal the roads?—I think they ought to.

246. Would it not be much better to give you a subsidy proportionate to your rating?—None of these rates go to metal roads that we have at present.

247. *Mr. McCutchan.*] Do you get the whole of the separate rates spent on the by-roads?—No, it is mostly spent on the main roads.

248. Do you think that the rating expenditure should be legalised, so that the expenditure wherever it was would be stated?—Yes.

249. Are you satisfied with the administration of the Land Board and the constitution?—Yes, but there have been cases of harsh treatment.

250. To your own knowledge?—There is only one that I know of, to my own knowledge. It was the case of a man who was managing another's place and was sent back by the Board to his own section.

WELLINGTON, WEDNESDAY, 14TH JUNE, 1905.

HORATIO EVERETT examined.

1. *The Chairman.*] What are you?—I am a settler, and hold 84 acres of Native reserve and 153 acres freehold. I have been in the district twenty-five years. My land is at Riwaka.

2. Is there any particular matter you would like to bring before the Commission?—Yes; I desire to draw the attention of the Commission to the various tenures existing in the district. There is a considerable area of reserves. There is the ordinary Native reserve, there is a large piece of Wakarewa Trust, and there is a portion of a hospital and charitable-aid reserve, and there is the Nelson College Reserve, while there are a few minor reserves, such as diocesan trust and education reserves. The total, as near as I can give it, of the reserved area in the Motueka Borough and Riwaka district is 3,800 acres. In the Motueka outlying district there are other areas with which I am not so familiar. These different trusts are all held under different tenures. There is the Native reserve, which is the largest block, and I think the area of that reserve is rather over 2,000 acres, and it is held under "The Nelson and Westland Native Reserves Act, 1886." Then, there are the Wakarewa Trust lands of over 1,000 acres, held under ordinary tenure; they are held in trust in connection with the orphanage at Motueka, for the upbringing of poor children. Then, there is the hospital and charitable-aid reserve of about 300 acres, and the Nelson College Reserve of about 300 acres. There are also lesser reserves of about 60 acres. In the case of the Native reserve, compensation is allowed the tenant for his improvements, and each lease is renewable after a period of twenty-one years, the rent to be fixed by arbitration. Some of the Wakarewa leases have lately been granted on similar terms, and the remainder of the leases which have not yet fallen in exist under ordinary leasehold conditions—that is, at the expiration of the lease everything reverts to the landlord. The hospital and charitable-aid reserve lands are leased in manner somewhat similar to the Native reserves in regard to improvements, the rent, however, being fixed by the landlord. The Nelson College reserves allow no valuation for improvements to the tenant, and they fix the rent at their own discretion. You will observe that, in respect to these different

leases, they are held under different tenures. These reserves together form a very appreciable portion of the district. In the borough there is a population of one thousand people, and in this portion of the road district there is a population of about eight hundred. I imagine that in respect to the tenants there are about one hundred and twenty Native-reserve tenants, fifty Riwaka Reserve tenants, six hospital-reserve tenants, four Nelson College tenants, and six tenants of the less important reserves, making a total of 186 tenants. The rents of the tenants in the Native reserve in the smaller areas in the Motueka Borough are about £1 an acre. Those are old leases, where the sections have been transferred from one tenant to another; but within the last few years certain pieces of Native reserves have been thrown into the market, and the tenant has gone in without paying anything in respect to goodwill, and the rents may be put down at £2 an acre. But in the outlying parts of the district—good agricultural land—the rent is about 14s. That is in Riwaka. There are a few sections of comparatively poor land further out which pays very much less. Under the Act of 1886 the tenants of the Native reserves are allowed in respect of their improvements—to wit, whenever the lease expires and the rent is fixed no notice is taken by the assessors of the improvements for renting purposes. There is a right of renewal to the existing tenant; we have a right of renewal, and the valuer offers it to us at a price, and if we refuse the offer the matter can go to arbitration. Under the Act of 1886 it applies differently in different parts of the country. I believe it is differently applied in Nelson and Greymouth to what it is in Motueka, but in Motueka it is as I have stated. The Wakarewa tenants are in a kind of transition stage. The trustees have allowed them in respect to the leases I have mentioned which have fallen in similiar terms to the Native reserves. There are some leases that will not fall in for six or seven years, and they exist under the old conditions, and are entirely at the option of the landlord, whether he will grant them any concession or not. I have stated the tenure of the hospital and charitable-aid reserves. The tenants are of opinion—and I speak also for myself—that in common fairness in a district like that where the lands are side by side, and where the Trusts are of a similar character, there ought to be uniformity of tenure, and they think that no trustees should be allowed to act towards its tenants so notoriously as do the Trustees of the Nelson College, on which reserves the tenants work all their lives, and at the expiration of their lease their improvements are taken from them by reason of the increased rent, and thus they are taxed on their own improvements. I have selected the College reserves as being those which differ most widely from the Native reserve leases. At the expiration of the leases of these College lands, the tenants are subject to be additionally rented in respect to the improvements which they have themselves put on the land. There are four of these tenants, and the area of the land is about 300 acres. I am decidedly of opinion that in a matter of this description there ought to be more equitable treatment meted out to the tenants, and, as far as possible, there should be uniformity in the tenure, especially as these are practically public lands vested in the College, and as the tenants have no right of renewal. I might mention the case of a section rated at 14s. in the case of the Native reserves, and in the case of the College reserves the charge for similar land is £1 5s. The increased price in the latter case is no doubt caused by the fact that a house has been put on the land, and a good orchard has been planted on it. Directly any improvements are made the rent has been increased, and thus the tenant improves the land to his own detriment. The tenants of course have to improve their land in their own interests, and we think that when men live on such land for a long time, and bring up a family on it, it is monstrous that they should be subjected to such treatment by their landlords. The landlords have been approached, and, I believe, they have agreed to grant some slight concession, but we tenants are of opinion that by statute an amount should be fixed beyond which they shall not go, and that their (College reserve) conditions should be as similar as possible to the tenancy of the Native reserves. In respect to the tenancy of the Native reserves, although that is the best tenure, and although the tenants are fairly well satisfied with the treatment they have received, yet it does not mete out to us the justice we think we should receive. When you take up a section of land at a certain rental it is taken at a rack rent, but the district is being improved rapidly; we form the roads and metal them, we pay our rates, we construct our wharves, we do our drainage, and the Government have given us better communication with Wellington by steamer, and when the river breaks through its banks we have to protect our land. None of these things are improvements allowed by the Act, so that although we are improving the district as a whole, yet the Act takes no cognisance of these improvements while it increases the unimproved value of the land. We think that in all these matters, as far as the unimproved value of the land is concerned, there certainly ought to be some provision whereby the tenant's right shall be conserved. Under statute we can only claim in respect of improvements on the land we occupy, but improvements are being effected and have been effected at Motueka and Riwaka to the extent of thousands of pounds, to which the tenants in common with all the freeholders have contributed their quota, and yet they can claim no compensation in respect of those improvements. We claim that there should be an alteration made in the Act whereby the tenants shall be in a position to reap the reward of their labours. Although it is not his own property on which these improvements have been made the tenant wants some portion of the unearned increment as well as the landlord.

3. Your argument does not go so far as this that there should be no raising of rents at all?—No; not under present conditions. What I myself would rather prefer would be this: That, taking present rentals and assuming them to be just, I would like to see the Government capitalise on that and fix the rent. Supposing I am paying a rent of 10s. an acre, and it has been justly arrived at by arbitrators, I would think it was a proper thing for the Government to capitalise that and charge me a rent on 10s. an acre, and then I could improve the land to my heart's desire, and would not run the risk of being penalised for my improvements. But even if the Government can resume land in our part of the country—and I take it that there can be no objection to their resuming these trusts on a reasonable basis—then they should let us have it at such a rent that there would be no fear for the future. That is so far, I think, as we might go and do no wrong to anybody. These Native reserves were set apart in old times for the maintenance of indigent Natives. These indigent Natives are getting fewer and fewer

in number, and I think it is not right that our rents should be raised in order to add continually to the wealth of a fast decreasing population.

4. Supposing the Government were to capitalise as you say and bring the land under the present tenures, what tenure would you like?—If the Government does not see its way to go beyond leasing—of course I would like to see the lease made something like the 999-years lease—but if the Government sees its way to adopt the views of those who urge the granting of the freehold, then I should be quite willing to purchase from the Government if I had the option given me on the basis I have set forth.

5. You would like the occupation with right of purchase?—Yes, by preference, or if I could not get that, then I would like the lease in perpetuity.

6. Could you furnish us with copies of the conditions of these leases?—Yes, I will do so.

7. What class of land is this?—I am speaking more particularly of the leases of the Nelson College Governors, and that land has always been spoken of as first-class land.

8. It is grazing or agricultural land?—In that district it is good enough for either, but we are not going in for much grain growing. It is good, open, flat land, and is largely devoted to hops and fruit growing. It is mostly in 50-acre blocks and, roughly speaking, the rent is £50 or £60.

9. What were the rentals about twenty years ago?—About 10s. an acre.

10. Were they not rented at peppercorn rentals with the object of allowing the occupants to improve them?—Possibly that was so from the landlord's side of the question, but as times wear on the humour of the people changes, and the humour of the people now is to conserve the tenant's interest as against the landlord. I have been there for twenty-five years, and, to the best of my knowledge and belief, full and fair rent has been paid for that land without requiring anything in addition from the tenants.

11. Was that the opinion of the Nelson College Governors?—I think the opinion of the Nelson College Governors was that the tenant was a sort of animal to be treated as they thought fit. It is with the Nelson College Governors that the tenants and the people have the greatest quarrels.

12. Who are the Nelson College Governors?—There is C. Y. Fell, solicitor, Nelson; F. Hamilton, merchant, Nelson; — Bannehr, editor, Nelson; A. Bisley, merchant, Nelson; J. Graham, M.H.R., gentleman, Nelson; T. N. Franklyn, gentleman, Wakefield; — Richmond, gentleman, Nelson; P. Best, farmer, Appleby; and James Blair, secretary. I can only remember those names at present.

13. Is there a majority of farmers or practical men on the Board of College Governors?—The only man who is really a first-class practical farmer is Mr. Best.

14. Would you advocate the Government taking over all these leases, and giving the Education Board bonds bearing interest at a rental that the lands would produce, and at a valuation, and that the Waste Lands Board should administer the land?—That is precisely what we think should be done; that is, after a just rental has been agreed upon.

15. Allowing them no increase in value in the future?—Yes. Let us have something like a termination of the matter.

16. What is the number of tenants on the Nelson College Reserve?—There are only four in the district I come from, but there are other reserves belonging to the college.

17. You say you would prefer a 999-years lease?—Yes; if we could not get occupation with right of purchase.

18. Do you not think you might just as well have the freehold as the 999-years lease?—Not altogether; because most people are of the opinion that, with respect to the contention of the freehold *versus* the leasehold, they are not altogether as free agents as they are when they are freeholders. But if freehold land could be kept within limits, even as leasehold land is kept within limits—if, in other words, the aggregation of estates might not exceed a certain fixed point to be determined—any objection I might have to the freehold would disappear. I do not personally care whether you call it freehold or leasehold. If you can conserve to the tenant an absolute fixed right to his portion of the land, personally, I am satisfied, and you can give it what name you please. But, under the leasehold tenure I am speaking of, the tenant's rights are not conserved, and in the Motueka district it makes a material difference whether your land is on the leasehold or freehold side of the street. If people can get the freehold they will take it at almost any price. The improvements on the freehold side of the street are five or six times as great as on the other side.

19. Do you think that in the leaseholds there are improvements that are not visible when the valuator makes his valuation?—Oh, yes; but if the valuator happens to know when the land is cleared and stumped, and the manure is put into the soil, and the length of time the manure will act before it is exhausted, he can justly appraise the land at its true value.

20. There is a considerable amount of the improvements on the land that is not visible to the naked eye?—Yes; it depends, of course, when you consider the improvement is exhausted, and that is just the rock on which the valuer and the occupier often split.

21. *Mr. McCutchan.*] Do you not think that if these leaseholders got a 999-years lease the trusts would suffer very much?—They would, in so far as their expectations in regard to a future rise of rent would not be realised. That would be the extent of their suffering.

22. In a young colony like this are there no chances that these lands will increase rapidly in value in the future, and that the trust will consequently suffer if bonds were issued at the present value and the tenants were to get the 999-years lease?—Not to an appreciable extent, as our districts are valued. I think, to ask for rents higher than those than are already exacted from the tenants would be passing beyond the bounds of reason, and to capitalise them in order that they should continue to receive them they would then have an assured revenue and the tenants an assured position.

23. If these lands have reached their maximum value, then the trusts would not be detrimentally affected by a change, but if the trusts have not reached their maximum value the trusts would suffer: would not these lands increase in value as population comes in?—I do not say they would not increase,

or, on the other hand, that they might not get lower in value, because there is a good deal of speculation. Take the hop industry, for example : we know what effect is likely to accrue to the land if prohibition is carried in New Zealand. The hop industry would virtually be killed, or, at any rate, very prejudicially affected. Then there are great areas of land being put into orchards, and we all know how problematical is the ultimate success of that enterprise.

24. Can you outline any change in the present methods of revaluation, so as to secure that increased value to the tenant ?—It seems to me a grave injustice in putting up the unimproved value so that the tenants' interests are practically confiscated, and if the present methods largely remain unaltered the only way would be by the Government halving the unearned increment.

25. You think the tenant, by putting in roads and making other improvements like that, put on themselves a good half of the increased value of the land : do you think that would be a fair basis ?—Circumstances, of course, alter cases, but I believe half and half is about the difference at present, so far as our district is concerned. I am willing to give the Native trust this credit, that in making their assessments they deal fairly well with us in respect to the rent. They have not pressed us to the ultimate, but that is not a condition of affairs that ought to continue, seeing that it depends upon the goodwill of the landlords. If the landlords choose to press us very hard, they could very prejudicially affect our position.

26. How are these trustees appointed : by the Government or nominated ?—Nominated by the Government.

27. *Mr. Anstey.*] Do you consider generally that the tenants ought to get compensation for improvements and the right of renewal and an arbitration rent ?—Do you mean with respect to private land ?

28. Yes, the State or private tenants ?—I do not think one section of the State has a right to be exploited for the benefit of another section. These tenants whose case I am representing fulfil the duties of State tenants.

29. The State tenants and the tenants on reserves, you think, should all get compensation and have the right of renewal and an arbitration rent ?—Yes.

30. That would not apply to private institutions ?—I do not think any leases now current should be interfered with. But, as new leases are drawn out, these private tenants should have the same privileges as the tenants of the State.

31. Can you not see a difference between the leasing of land by the Government and the leasing of land by a private individual, who may only wish to let his land, for instance, until his son shall be of age ?—Then he should let it from year to year.

32. Would you allow it to be let from year to year with revaluation or compensation ?—It is a difficult question.

33. Would you advocate that the tenant should get the benefit of the improvements on the property actually of his own creation ?—That is entirely my view.

34. Do you think that that ought to apply to all lands ?—Yes ; and if those of us who hold from the Crown now should in our turn let lands to others, we should also accord these conditions to our tenants.

35. You spoke about the improvements that had been made on the lands leased in your district : you said you and your fellow lessees had borrowed money and made a lot of improvements ; that you had taxed yourselves for drainage and for harbour-works, and that that expenditure should be represented by a reduction of rent ?—I say it should not be represented by a rise in the rent.

36. Is it not a fact that your improvements are largely created out of loan-money which you have rated yourselves to pay for ?—Is that not in the nature of a mortgage on your lands ?—Some may regard it so, and some will hold that it is not a mortgage on the land. But the unimproved value of the land rises hugely, and we are rated and rented for it.

37. Is it not a fact that every increased shilling on the rates is represented by a reduction in rent ?—That is as it ought to be, but there is the stress of circumstances to be taken into account. It causes a great deal of people to come there, and when you get them there you can do almost what you like with them.

38. You told us that people do not care for the lease ?—I say they prefer the freehold.

39. Can you tell me why it is that when the Crown cuts up an estate and offers sections on lease in perpetuity you get prices of £100 per section and sometimes more, while for freehold land there is apparently no buyers ?—That is because there is so many people with but little ready money who want to take up land.

40. Is it not a fact that the leasehold is more suitable for the small farmer ?—It is more suitable certainly for the man who is beginning life. As a rule he has no option, but if a man gets on in life, especially if he has a wife and children, you will find that that man becomes more anxious about the future than in the days of his youth, and if he can improve his position he will do it.

41. You think, then, that every one should have the option of taking the freehold ?—Yes, providing you determine his area and do not allow it to go beyond a certain point.

42. If you are to give every one a portion of the freehold, how will it be for the next generation : how will the young people get on the land ?—The logical outcome of it all is this, that if you grant the right to the freehold you must also allow a similar measure of justice to the succeeding leaseholder.

43. The logical outcome of it, then, is that the freehold you would propose to give would be a more limited freehold ?—In area ?

44. In several ways. The land, you see, would be subject to the limitations of the Act, and would be under the review of the Crown ?—If the Crown finds it necessary in the interest of the public welfare to enact limitations with respect to the way in which to lease their land properly, I contend the thing is required ; in other words, the public must be considered before the individual. I contend that if I

should have certain privileges granted to me, I in turn should be compelled to grant them to those under me. I do not wish that one section of the community should be favoured more than another.

45. Would it not be as well for the State to take the bull by the horns and administer the whole of the lands?—The State, by its taxation, can get there every time it wants to.

46. Supposing you had a lease in perpetuity of this section you now hold, would that be satisfactory to you?—Speaking for myself, it would be abundantly satisfactory.

47. Would it be satisfactory, providing you got a perpetual lease subject to renewals at periods of twenty-one years, burthened with the full value of the improvements?—That is the trouble with these reserves; we never know where we are. We would like to know the extent of our liabilities.

48. With respect to the Nelson College land, you consider that the rent fixed to-day should be the rent for all time; but the population of New Zealand may immensely increase and the obligations of the College may also increase: is it not fair that the revenue should increase in proportion?—That is the landlord's point of view, and theoretically it is right.

49. But do you think as a tenant you have a right to get a lease in perpetuity and fix the rent to-day, when possibly the land may be worth double to-morrow: does that not give you something to which you have no right?—Who should get it? Who should more properly have it than the tenant?

50. Do you think it proper that the tenant should have the whole of the unearned increment?—No, but if you establish a fixed point—say the Government capitalised it—there is such a thing as land depreciating in value instead of rising in value, and the tenant takes his chance knowing his limitations. At present, as I say, we never know where we are.

51. You think the tenants should have the right of purchase?—That is the thing which they would ultimately prefer, but I believe the greater number would be satisfied if they could have it on similar terms to the lease in perpetuity. That would meet their aspirations for the moment, although ultimately I believe they will take the form of occupation with the right of purchase.

52. Do you think that the College Governors are in the same position as the Land Boards, viz., that they almost invariably think they have to consider their tenants' rights?—I do not.

53. Do you consider that no body of men should be allowed to control the public estate unless there is a fair proportion of farmers on that body?—Not necessarily. It should depend on the conditions of the case. What would be the good of having the public estate in the towns controlled by farmers.

54. Supposing they were dealing with farming lands?—Then there should be a fair modicum of farmers, but they should not all consist of farmers. It is as well to have a mixed body.

55. *Mr. Paul.*] In the election of the Land Board, would you be in favour of its election under a restricted franchise?—As far as the Land Board is concerned, I believe it ought to be elected by the ratepayers of the district on as broad a basis as possible.

56. Would that not be the parliamentary franchise?—Yes. The more you get the people to participate in public affairs the better they will be.

57. Increased responsibility is good for them?—The more responsibility you give people in reason the better.

58. What do you consider the most satisfactory form of lease for endowments, considering the interest of tenants and the interest of the body for which those endowments are set aside?—Providing they are limiting the leasehold, I think the present system under the Nelson and Westland Act is an admirable one, but provision should be made for the tenant acquiring his just rights.

59. May that be arrived at in this method: The tenant and the valuer in the first place try to arrive at some equitable conclusion as to the capital value of the land on which the rent is based: is that done now, or is it possible to do it now?—Most of the leases are old leases in respect of which large sums of money have been paid for the goodwill. Now, the goodwill value is in excess of the actual value of the improvements. For a period of twenty-five years the Native trust has always made a certain allowance to the tenants, and that, when capitalised, has increased the value of the goodwill, but the continuance of that depends largely upon the goodwill of the trust. My idea, say, with respect to old leases, is that if the bottom value is assessed by arbitration, they should allow half and half of that unimproved value—credit half to the landlord and half to the tenant—and make that the basis for the future; that would do justice to both parties. If the unimproved value rose in value the landlord would stand to credit, say, £2 10s., and the tenant to the same amount, and the tenant might expect a rise of 2s. 6d. in his rent. If, on the other hand, the land depreciated in value, half of the loss would be the landlord's and half the tenant's. I think that is the fairest way of dealing with these trust lands, and would do injustice to no one, you secure the landlord in his rights and the tenant also in his rights, and provide that both tenant and landlord have what is due to them.

60. Is that not a more reasonable position to take up than to ask for a 999-years lease of the endowments?—Not altogether, because there is always the question hanging over their heads of what the arbitrators will agree to. At some time these leases will fall in, and that feeling of unrest is abroad. You never know what the outcome is to be, but when it is all over the tenants feel that it is all right for another twenty-one years.

61. Under our present system there are periodically times of unrest owing to several causes: the man who takes a freehold or a 999-years lease is not afraid of the unrest?—And he knows the measure of the liability he incurs. When it is a question of a falling market it affects the tenant. Then there is a lot of political unrest that affects both parties. But the tenant does not think he ought to be subject to this continual additional worry with regard to the ultimate outcome of his ventures in the land. The lease in perpetuity gives him a certain fixity. Is it not a good deal better that those doing the work should have their right conserved, that is to say, that the bulk should be considered rather than the individual?

62. The endowments are set aside really for the benefit of the whole people, because there are various endowments set apart for different sections, therefore the whole of the people of the colony

are vitally interested in anything which is done with the endowments?—But for the colony I think it would be a very good thing to have that rent fixed, so that by its fixity confidence is established for the future.

63. Is it not the fact that the land sometimes depreciates in value and that sometimes it rises in value?—Yes.

64. Would not revaluation fixed by arbitration be an equitable provision for the tenant?—The tenants would rather know what their liability is and have done with it. In the Borough of Motueka on one side of the street you have the best buildings and fences. The explanation is that that side is freehold and the other is trust land. The Native-reserve tenancy is the most liberal of all.

65. Is that of general application?—Yes.

66. Do you think that if the system you outline, in the first place—that is, the equitable value—were fixed by arbitration, you would get over any difficulty which exists so far as the leasehold tenure is concerned?—It would, in my opinion, be a step in the right direction, and go a long way towards satisfying the people.

67. It is very easy to understand your dissatisfaction with some of the provisions of the leases. What you want to arrive at is something which shall work out equitably?—Yes, that is all.

68. Is it not true that the Nelson College Governors let land now at a price below its value almost on account of giving the valuation for improvements?—That is the highest rented land of all.

69. You know that land is sometimes let without valuation for improvements at a low rent?—This is not. In fact it is far more highly rented than Native lands, where we have the right to improvements. I have a section rented for £32 10s., and just across at the corner there is land not one whit better which is paying a rent of £60.

70. Do you think that land in your district at present is at its highest value?—Yes, at about its highest, and I believe it is just about as high as it is going to get.

71. Would not this be an inopportune time to fix the rent?—From the tenants' point of view, but we prefer that some sort of permanent rent should be arrived at.

72. If the land is at its highest value now, there cannot be any great objection to the form of lease which you outline?—I do not think there can be any objection. There is a borough in the vicinity, Motueka, and as the people begin to build the land will increase in value, but the people are afraid to build on the land we are dealing with, because they do not know what the rents are going to be. But if they knew there was a certain fixed rent which they had to face they would cut their coat accordingly. Instead of that, there is this uncertainty, which causes a feeling of unrest that cannot be a good thing for the country.

73. If the period were lengthened above twenty-one years would that meet you?—It would make the position less acute. The endowments belong to the nation, and it seems strange that the nation should profit at the less expense of a few tenants.

74. You admit yourself that an equitable arrangement can be come to between the tenant and the Land Board whereby both interests are protected?—I believe it can be done.

75. Outside of 999 years?—Yes, though we would prefer the other.

76. Is there anything you wish to add?—Yes. In regard to the valuation of improvements there is a very serious matter which affects our district. There are hundreds of acres, and it will run into thousands eventually, of fruit-plantations. When these are valued as improvements they only allow us in respect to the cost of the trees and the labour of putting them in. It frequently happens that we have to wait five, six, seven, or nine years, according to the class of tree, before the fruit is of any service to us, but in the meantime the labour and charges are going on. That orchard is going to be worth, in time, £50 an acre and over, but the Government only allow us what it has cost to put the trees in. It is a great industry throughout the whole district, and will be worth many thousands of pounds annually, but, as I say, they only allow us the actual cost of planting. The valuation made with respect to hops, small fruit, and large fruit was made merely in respect to the cost of preparing the ground, planting the trees, and the cost of the trees. You have to consider that these orchards will be worth £50, £60, £70, or £80 an acre in a few years by reason of the improvements, but now they only allow us about £10 an acre. That is one of the questions in connection with the valuation for improvements which has become a burning one.

JOHN STUART WRATT examined.

77. *The Chairman.*] What are you?—I am a farmer holding 400 acres of freehold and 400 acres of leasehold under the Whakarewa Trust. My term of lease is fourteen years, without the right of renewal or improvements. Thirty acres of it is agricultural land for which I pay 15s. an acre, and for the balance I pay 1s. an acre. I have occupied the land for nearly twenty years.

78. Do you agree generally with what Mr. Everett has said?—Yes, in most of the points, but I differ largely with him as regards the lease. I believe in the freehold myself. In addition to the areas I have stated I should say that I am just taking up another 450 acres of freehold, but for which I have not yet got the grant. The position, as far as I am concerned in connection with my leasehold, is that I have received notice that on the termination of the lease thirteen months hence, it is not to be renewed. When I bought the goodwill of the lease it was a bankrupt estate. I paid £130 for the goodwill, but, although the lease when shortened by two years, my goodwill was increased by £150. After occupying the land and bringing it from a wilderness to a condition of fair fertility, I feel it is a hardship to be turned out. There are other tenants of the Trust who have received notice that certain portions of their land, amounting to 50 acres in the aggregate, are to be reserved, and for which a yearly tenancy will be given. That is, of course, regarded as the thin end of the wedge and that that land will be soon taken from them altogether. The tenure is very unsatisfactory. Some of these people have occupied the land for fifty-five years, and of course they will often be racked down with heavy rents sooner than leave

their homes when they have been so long on the land, and they feel the uncertainty of the position very acutely.

79. What are the rents applied to?—To the upkeep of the orphanage.

80. Is there any other point you wish to mention?—No, but I would like to emphasize what Mr. Everett said with regard to leasehold and freehold in Motueka. Three-fourths of the land there is leasehold, and there is a fair illustration of it in our main street, where all the principal buildings are on the freehold side, the leasehold being only used in cases of emergency.

81. *Mr. Johnston.*] What is the area of the Whakarewa Trust?—A little over 1,000 acres. One sheep an acre is about the carrying-capacity of the poor land I occupy. I may say that when I took up the land it was overrun with fern, tutu, and rubbish, and practically would not carry one sheep to 10 acres, and I have broken it up and attempted to put it into English grass, but I find that it will not support English grass.

82. What is the nature of the balance of the land?—I think I can safely say I am occupying the only poor land in the Trust, most of the other is good agricultural land. I think I am paying full value for my agricultural land, and of the balance in the Trust there are isolated bits that are perhaps more valuable.

83. Can you give us any idea of the income of the Trust?—The rents bring in under £550.

84. What is the size of the orphanage?—I suppose it has capacity for fifty children. It was, I believe, given by Sir George Grey for destitute Native children and Church of England children. For many years the Bishop of Nelson was the sole trustee, but the present Bishop of Nelson has two co-trustees with him—viz., the Rev. Mr. Kempthorne and the Rev. Mr. Grace. They all belong to the Church of England. They are the controlling Board, but we have been very fortunate in the fact that the Board's agent is a very reasonable man. That, however, does not give us a secure tenure.

85. Have the tenants materially improved the land?—Undoubtedly.

86. Built houses?—Yes, and made their homes there.

87. What do they exist on?—Gardening, hop-growing, and poultry-keeping.

88. Are they prepared to give these religious ministers a fair rental for the land and still be refused a renewal of their lease?—Probably they do not intend to serve them all as they served me, at least I hope they will not.

89. Are there any private leaseholds there?—I think not.

90. *Mr. Anstey.*] At how much do you value your improvements on the leasehold?—About £400.

91. Is there a house on the property?—Yes, but it is very dilapidated, and I am not living in it; it was built by the Trust and is the only house they have built.

92. To whom do you think in all honesty that £400 of improvements belong to?—To me.

93. Do you think there should be a universal law conserving to the tenant his improvements within, of course, proper limitations?—I do, most decidedly.

94. Do you think the law should be altered giving to all tenants a freehold in their improvements?—Yes, I do.

95. Do you think it would be a fair form of lease, such as the Native trustees are giving—a fairly long lease with right of renewal and full compensation for improvements?—Yes, I think that is fairly equitable.

96. Do you think that the trustees of this particular Trust are dealing in an unfair manner with their tenants?—I do. Before ever I bought into this Trust I went to the agent of the Bishop of Nelson and asked about the right of renewal, and I was told there would be no trouble about the renewal at the expiration of leases, provided I was a reliable tenant, and I was informed that a desirable tenant was one who paid his rent. The lease was renewed for another fourteen years, and that is terminating and I have received notice to quit.

97. Is this orphanage the one about which there was some scandal some years ago?—No.

98. Do you think it is wise that reserves should be set aside for educational purposes and be administered by people who are not farmers?—No, I do not. I think practical men should be on the Boards.

99. *Mr. Paul.*] Do you concur with Mr. Everett so far as the constitution of the Land Board is concerned?—That is a question I am hardly qualified to give an opinion upon, inasmuch as I happen to be a member of the Land Board.

100. What is the object of cancelling your lease: is the land wanted for closer settlement?—I think they intend to attach the land to the institution. They have 50 acres now, and I believe that they intend to keep the children a bit longer on the land.

101. *Mr. Johnston.*] Do they want to take this other 50 acres away from the leaseholders before the expiration of the leases?—I think it is at the expiration of the leases.

102. What is that land to be taken for?—It is to be attached to the land of the orphanage.

103. How many children are in the orphanage?—Probably about forty, principally boys.

JOSEPH ALBERT ASKEW examined.

104. *The Chairman.*] What are you?—I am a settler at Riwaka. I hold 14 acres of freehold and 50 acres of lease. I am under the College Governors. I have been living there about thirteen years, but have only had the place myself four years. My father held it before me, and we have held it altogether about twenty years. I am paying £1 an acre rent for the 50 acres. I cultivate hops, and go in for dairying. There is a dairy factory there, and we supply milk to it.

105. You have heard what your two friends have said about various matters: do you generally agree with what they have said?—Yes. With regard to this lease there are a lot of improvements that it is impossible to see after twelve years. The land was a lot of it a swamp, and in rushes and under water. I drained it, stumped certain portions of it, and put in hops. Now, if it is valued, a lot

of those improvements cannot be seen. I think we should be allowed to share in the value of the improvements. My lease has four years to run. I would prefer the freehold for choice.

106. Do you fear that your rent would be raised considerably when the four years are up?—I have no say in that matter, because when the four years are up I have nothing more to do with it.

107. Does it not go to arbitration?—No. Three or four years ago we petitioned the Governors on the matter, but at first got no answer. We tried again two years ago and still could not get any satisfaction: they said that I had the ground until end of lease, and all the improvements went to the Governors at the end of the term, and that they could not see their way to allow me anything. We then petitioned the House, and Mr. R. McKenzie took the matter up. Then they sent me a letter saying that they had given me a small concession, but as to the house and buildings that we had erected, they claimed them all. I have here the letters:—

“Nelson College, Nelson, New Zealand, 1st May, 1905.

“DEAR SIR,—With reference to the petition from yourself and others respecting the conditions of lease of College lands, and to the visit of a Committee of the College Governors to Riwaka in November last, and their interview with the tenants of College lands there, I am directed to state that the report of the committee was submitted to the Council of Governors in November last, when it was referred to a later meeting. Before this meeting was held, the fire at the Boys' College took place, and the many matters of urgency which arose from that event caused consideration of the report to be deferred. It has now, however, been adopted by the Council, and I am directed to state, should you in the future desire to make any permanent improvements on the property occupied by you, that upon first obtaining the consent of the Council to the particular work, and also satisfying them of the prime cost thereof, the Governors will, at the end of your term, pay to you the then value of such improvements, such value to be arrived at, if necessary, by arbitration. The Governors trust that this concession, which will be held as in force from the date of the visit of the committee, will meet your wishes.—Yours &c.

“JAS. BLAIR, Secretary.

“Joseph A. Askew, Esq., Riwaka.”

“Nelson College, Nelson, New Zealand, 1st May, 1905.

“DEAR SIR,—I am directed by the Council of Governors of Nelson College to call your attention to the desirability of your insuring against fire any houses or buildings upon the College land occupied by you. Should a fire take place you would be liable to make good the loss sustained, and it is therefore advisable, for your own sake, that you should protect yourself by insurance—Yours, &c.

“Joseph A. Askew, Esq., Riwaka.”

“JAS. BLAIR, Secretary.”

“Foxhill, 14th March, 1905.

“DEAR SIR,—Enclosed please find the report of the Lands Committee of Parliament on the petitions of Motueka and Riwaka residents, which you handed to me in Wellington during last session. I am of opinion that the tenants interested in these leases should now follow this matter up until they receive redress from the Board of Governors. I will be most happy to help them all I can.—Yours, &c.

“Albert Askew, Esq.”

“R. MCKENZIE.

“Nos. 905, 906, and 907.—Petitions of Martin Wilson and 5 Others, Horatio Everett and 39 Others, and Albert Askew and 107 Others, Motueka, Nelson.

“PETITIONERS pray for valuation for improvements and fair rent on land leased from the Nelson College Board of Governors. I am directed to report that the Committee is of opinion that, within reasonable limits, compensation for improvements should be allowed all occupiers of public reserves and endowments, and recommends the prayer of the petition to the favourable consideration of the Government.

“4th November, 1904.”

With regard to the permanent improvements that we have to make, they only recognised stumping, draining, and building. They would not recognise the hops or the orchard.

108. *Mr. Johnston.*] What is the rental of this place at present?—£1 per acre.

109. What could it be rented for if the lease were up now?—I think it is rented for the full value.

110. What do you reckon your improvements were worth?—About £500.

111. You say you petitioned them and got no reply?—No.

112. Was Mr. Holloway the secretary at that time?—Yes.

113. Was he a good and reasonable secretary?—I never had any trouble with him.

114. How many people signed the petition?—I did not count them.

115. You indorse what Mr. Everitt said that these men are nominated by the Government and not elected?—They are nominated by the Government.

116. Do they administer all the lands in their trust in the same way?—As far as I know they do. There is one piece of country in regard to which it is said that their administration is just as bad as it is down our way, and there are several pieces in town, but, of course, I do not know anything about them. Town matters are out of my line.

117. You do not know the total area they administer?—No.

118. And you got no satisfaction whatever when you applied to them prior to the letter you have just read?—I got no satisfaction before that.

119. Is this the first time that they have paid any visit to your land?—Yes, that I know of.

120. They practically know nothing whatever about the state of their endowments?—No. I think we should get along with them all right if it were not for Mr. Fell.

121. Is he a stumbling-block?—He is the worst one.

122. Is he the chairman?—I could not tell you.

123. That is, Mr. Fell the solicitor?—Yes.

123A. *Mr. McCutchan.*] Is there any one on this Board of Governors who is recognised as the representative of the tenants?—No

124. The tenants are unrepresented on the Board of Governors?—We have nothing to do with them.

125. Has the Government nominated any particular man to represent your side of the matter?—Not that I know of, unless it is Mr. Best. He is a farmer and the only one on the Board.

126. Is he a lessee of the Trust?—No; a freeholder in the Waimea.

127. Has your land been recently valued?—Yes, quite recently.

128. Is the draining and stumping taken into account in the valuation of the tenants' improvements?—I do not know.

129. Have not you a return of your value stating the improved and the unimproved value and the total value?—I could not say.

130. *Mr. Anstey.*] Are you sure that the Government nominate the whole of this Board of Governors to look after these trusts?—I believe so.

131. You told us that the Board of Governors demanded that you should insure this building: was it to be insured in their name or your own?—In mine.

132. You are very fortunate, because they demanded in my case that they should be insured in their name?—No, not with me. They said I would have to replace the buildings.

133. *Mr. Paul.*] Was the house they asked you to insure erected by yourself?—Yes.

134. Would you be satisfied if you had the right of renewal at an arbitration rent and with full revaluation for improvements?—I think we should have such a lot of improvements that it would not be possible to see them.

135. I said at the full value for improvements?—No. I should think we should have a say in regard to any rise in the property that was brought about by our own labour, because that rise may be in respect to those improvements that are unseen.

136. Do you not think you could get value for them if there was a proper system of valuation?—Yes; but you would have to have men as valuers who were on the place at the start and knew what it was like then and now. The present valuers know nothing about what it was like at the start. Could you not appoint one of your neighbours as an arbitrator and by that means none of your improvements would be lost in arriving at the valuation?—Of course, you only have the one say.

137. Do you not think that would be satisfactory?—It would be fair better than the present system, but it would not then be what we wanted.

138. You think you ought to get full value for improvements?—If we got full value we would be satisfied, but it is impossible to get it.

139. Why?—Because it does not matter who you send there to value it, he does not see the unseen improvements. Say the ground at the present time is worth about £1,000, when we have completed our improvements it may be worth £1,500. That increase is brought about by our work, but £500 of it cannot be seen. I refer to all that stumping, ditching, draining, and so on.

140. But the value would be very real, and surely that could be arrived at?—I do not think it could be.

WILLIAM HENRY HAMPTON examined.

141. *The Chairman.*] What are you?—I am here to represent the Trades and Labour Council of the City of Wellington. I am the president of the Council, and I have occupied the position since March last. There are about 2,500 members; it runs from that to 3,000. Since the Commission sat in the South Island and had our previous witnesses before them, namely, Messrs. McCullough and Scott, we have had the annual conference of the Trades and Labour Councils, and we have come to a decision on the land question. I believe we can claim now to represent the whole of the affiliated unions of the colony, numbering about twenty thousand people. There are over twenty-seven thousand unionists, and we claim to represent twenty thousand of them. I am a journeyman carpenter.

142. Would you like to make a statement in reference to the various tenures?—Yes. With regard to the tenures, the labour party desire to give their very emphatic testimony in favour of the leasehold as against the further sale of any of the Crown lands of the colony. They consider that as practically there is only a limited landed estate left to us, the workers in the cities have as much right to speak to the disposal of the remaining Crown lands of the colony as anybody else, and are of opinion it is inadvisable that any more of the remaining Crown lands should be sold or leased with the right of purchase. We find that as the population increases so also is land increasing in value in the same ratio, and that as the colony is not yet populated to the extent it can carry, in a very short time, unless the further sale is stopped, there will be no lands left. We therefore think that the State should be careful as to how it disposes of any of its lands. I have made extracts from the Year-book setting forth the increase in the value of the lands of this colony: Taking Birkenhead in 1891, the unimproved value was £42,000, and in 1904, it was £50,000; Devonport, increase in value from £163,000 to £243,000; Auckland City, from £2,470,000 to £3,734,000; New Plymouth, from £165,000 to £660,000; Hawera, an increase from £37,000 to £177,000; Feilding, from £68,000 to £167,000; Palmerston, from £310,000 to £818,000; Onslow, from £70,000 to £147,800; Karori, from £74,000 to £211,000. We have the same increase right down throughout the North Island, and in the South Island similar increases have taken place. Timaru, from £151,000 to £324,000; Alexandra, from £2,955 to £10,257; Winton, from £17,000 to £19,000. This increase is all on account of the making of public improvements, such as the construction of roads, railways, and the expenditure generally of public money. We say that these are our reasons why the community should hang on to the remnant of the Crown lands. Of course, we have considered the question of the freeholder and the leaseholder, and we consider that giving the freehold is merely playing into the hands of the large loan companies of this country. And even if the area which any man might hold under the freehold were limited it would be only a nominal

limitation, for some of the loan companies would practically own the land as mortgagees. We have gone into the question which has been put before this Commission by many witnesses—viz., that they find it almost impossible to borrow on reasonable terms under the leasehold, and we consider that this is one of the strongest reasons why this Commission should report in favour of the leasehold system of tenure as against the freehold. If the leasehold were adhered to as against the freehold, we consider that there would be less necessity for those who go on the land to borrow, because instead of sinking their capital in the freehold they would be able to hold it and use it for general working purposes. In many of the districts of this colony—and taking in particular the district from which I come, the Ashburton district—it is well known there that the majority of the freeholders are merely nominal owners, that nearly all are mortgaged to the different money-lenders throughout the district, and in the event of one bad season, should the mortgagees foreclose, they are thrown absolutely out of their holdings. Of course we labour people, although we have got a bad name in some quarters, recognise that we are part owners in the land of the colony, and as part owners we contend that we have a right to a voice in the disposition of the land. We advocate the periodical revaluation of land held on lease, and as regards existing leases we advocate that revaluation shall only take place on the death of the present lessee or on the transfer of a lease to another party. We consider that if they were subject to this revaluation it would go a long way towards stopping the trading and speculating in connection with our Crown leases, such as I believe is going on at the present time. I believe that as much speculation is going on in regard to some of our Crown leases as goes on in connection with freehold land, and if we can prevent the fictitious or speculative value of land by these proposals, I think we will have done more for the small struggling settlers in the back blocks than has ever been done previously in the history of this colony by any Government.

143. You have given us some increases in the case of town land that have taken place within a comparatively short period: you have not referred to country land?—Some of the land is country land, for instance, Winton and Alexandra are small places.

144. But what as to rural land?—We recognise the back blocks of to-day will be the villages and towns of to-morrow, and the towns of to-morrow will be the cities of the next generation or so. Land in this city was not worth much fifty years ago, and yet it is worth, according to the last valuation, £6,913,000, an increase of over £3,400,000 in thirteen years. As I said before, if we can get the revaluation of all existing leases on the death of the present lessee, or on the transfer of his lease, we shall do a great deal to kill this fictitious value—for I believe that is all that this amounts to—but it is a value which we have to pay for, and it is a value which tends to keep many of the town dwellers landless. It is a value which prevents hundreds of people in each of the centres from going on the land as they ought to do in a young country like this, which is more suited to agriculture than to manufactures.

145. Are you aware that under the lease in perpetuity the Government has entered into contracts for 999 years with each of these tenants: do you think it would be just to break those contracts?—They have already been broken against the interests of the Crown, and in the interests of the tenants.

146. Assuming that you are right in that statement, do you think that it is right that a contract should be broken?—The Government must have thought it right, or I suppose they would not have done so. Our proposal is for revaluation on the death of the lessee, and surely if it is not revalued previous to the lessee's death his full interest in it has been conserved, and no right which he had acquired under the lease has been taken from him.

147. But it has been taken from his widow and family?—Yes; but if it is left with them it simply means that the fictitious value of that land still continues, and the right is taken from some of the town dwellers and their children to go on the land, should they see fit to do so; and, furthermore, the increased value which is accruing is being taken from the community.

148. But you are taking it from the widow and the children in the first place, and that is a serious thing, I think?—We have widows and children in this city who do not know where they are going to get their tea to-night because of the land-speculation and the freehold tenure as it exists in this colony.

149. But do you not think that the sacredness of contract is one of the very foundations of all order in the community? If there is to be no faith kept, where are we?—Every mistake we should do our best to rectify, and if a great injury is being done to the community I say we should rectify it as soon as possible.

150. *Mr. Johnston.*] You said that you represent twenty thousand people: what is supposed to be the number of the working population of the colony, unionists and non-unionists?—I have not looked up those figures.

151. But, roughly speaking, what would you say?—I would not venture to give an opinion, but I know that from the last returns there were about twenty-seven thousand unionists.

152. How many non-unionists are there?—I would not care about making a statement on that point.

153. You say that twenty-seven thousand is the number of unionists; is not that a small proportion of the population of the colony to dictate such terms to the country: how much of the colony have you been over?—I have been over the Wellington, Canterbury, and Taranaki districts.

154. Have you been outside the Town of New Plymouth?—Not to any great extent.

155. Have you been outside any of the towns of the colony?—I have been pretty well through this district, but I have not been in the back blocks.

156. You have never been in the back blocks?—No; I have been absolutely prevented from getting on to the back blocks, because of the present monopoly of land through the freehold system.

157. Have you ever tried the ballot?—No.

158. Then you have not been prevented from getting on the land, because you have not tried the ballot for a section?—But thousands have been.

159. Thousands have gone on the land: have you been twenty miles through the bush?—No.

160. You have had no experience of a bush settler in the back blocks?—No; but I have met one or two people in Wellington who took up freehold land, and who are now back in Wellington through the mortgagee.

161. But have you had personal experience of working in the back blocks?—No.

162. You do not know what it is to live twenty or thirty miles from the town, or to milk cows?—I know about milking cows.

163. You have referred to increased values owing, as you said, to the construction of public works within the last thirteen years: will you tell me what public works have been done in Alexandra within the last thirteen years?—The Otago Central Railway, I believe, is approaching that town.

164. Is that the only thing you know of in respect to Alexandra?—There is the increase of population throughout the colony.

165. Do you attribute that increase in value to the expenditure of public moneys?—Yes; and also to the increase in the population.

166. How far is the railway from Alexandra?—I suppose it is about fifteen or eighteen miles.

167. It is more than that; but suppose you were told that this increase in Alexandra is owing entirely to the gold got from the river, and not to the expenditure of public money, what would you say?—I should say that it is owing to the discovery of national wealth that should be conserved to the community instead of going to the individual speculator.

168. Do you own any land now?—Unfortunately, I do not. Many of us would if we could.

169. What public money has been expended in Palmerston North in the last thirteen years?—I could not definitely say.

170. Do you know that practically no public money has been expended in Palmerston North within the last four years, so that the expenditure of public money does not account for the increase in that town, and Winton is practically in the same condition now as it was thirteen years ago?—Then, it would be owing to the increase in the population.

171. Were you one of the delegates at this conference?—Yes.

172. Are you prepared to assert that if a referendum were taken of the workers of this colony they would, as Britishers, repudiate the 999-years lease?—I am not prepared to say what the workers would do under any circumstances. I, for one, would vote in favour of revaluation of all existing leases, even without the qualification which the conference added to it.

173. Would you go so far as to repudiate a lease made by a British Colonial Government and revalue that lease?—I would be prepared to rectify a wrong that had been done to the whole community by granting those leases in the first place.

174. If a referendum of those twenty thousand men were taken, would that referendum show a majority in favour of revaluation?—Yes.

175. You are absolutely positive of that?—I am pretty well sure it would.

176. Are you positive of it?—You can be sure of nothing. You cannot swear to anything when it comes to a ballot, but speaking from the opinions of men I have met at the conference, and by mixing with unionists in this city—and I am connected with several unions here—I feel sure that they are very strongly in favour of periodical revaluation of all lands held on lease.

177. The British working-man, then, has deteriorated to such an extent that he would repudiate contracts made by a Government?—I do not know that he has deteriorated, but I believe he would do justice to the community.

178. Can you produce any evidence about these properties at Ashburton being mortgaged?—I have not access to the desks of those gentlemen down there, but when I was passing through there it was the common talk of the district, but that was the position in which they were: Friedlander Bros. and the New Zealand Loan and Mortgage Agency.

179. If you had a freehold section in town, would you go to the Government and say to them, capitalise this section and make it a leasehold?—I do not see any reason why I should not do so.

180. Supposing the back-block settlers had a union, and they said we will come down and fix the rate of wages of the men working in the towns, would you agree to that?—We already have a tribunal for periodically fixing our wages.

181. But would you like back-block settlers to form a union and come down to Parliament and say, we insist that the wages in the towns shall be so-and-so; do you not think that is every bit as reasonable as it is for you to interfere with the tenure of the settlers in the country?—No, it is not. Our wages have very little to do with them, but the tenure of the land is a question which affects every man, woman, and child in the colony, and, as I said before, we, as colonists, recognise that we have an interest as shareholders in the remaining Crown lands, whereas the man in the back blocks who would set up a tribunal to fix our wages has no interest in that matter.

182. We will allow that you have an interest in the tenure of the land: have they not got as much right to dictate as to what wages shall be paid in the towns as you have to dictate as to their rentals?—No; one is a matter affecting the whole colony.

183. Do you know of any land anywhere in the colony that is selling at a less price now than it was twenty-five or thirty years ago?—I believe that Napier has a lower value now than it had thirteen years ago. The population fluctuates in different towns, and the figures show that population and increased value go hand-in-hand.

184. Has Napier decreased in population?—It is lower now than it has been for some time, but perhaps not in the last thirteen years. Hastings has increased in value and population.

185. Do you know of any rural land that has decreased in value?—No, I cannot say that I do. The increasing demand for land throughout the colony would affect rural land in the same way as it does town land.

186. Supposing I gave you an instance of land which thirty years ago was worth £18 an acre, and which three years ago was only worth £10 an acre, what would you say?—I would say that in the interests of the tenant it is time that land was revalued. It cuts both ways.

187. You have quoted long lists of increased values, but you have said nothing of decreased values, of which there are numbers of instances?—I think there are very few.

188. There is a very large area of Southland that is not worth within 30 per cent. of what it was worth twenty-five years ago?—Apart altogether from the amount of the increase of the amount of the depreciation in value, this is a matter of principle.

189. I am not going into the question of principle. Do you think, when a revaluation takes place in a bush settlement, that all the bush settler's improvements are perceptible on the surface?—No, I believe that the Land for Settlements Act sets out what shall be regarded as improvements.

190. I am not referring to the Land for Settlements Act; there is very little virgin bush under the Land for Settlements Act. Do you not think that there is a great deal of labour and capital invested in a bush section that is not represented in a valuation when a valuation is made?—Surely the tenant should make that clear. They know the state in which the land was when the settler took up the land in the first place.

191. Do you think that a valuer can state the exact amount of money a man has spent on a bush farm?—No, not the exact amount.

192. *Mr. McCutchan.*] Were you a delegate at this Conference?—Yes.

193. Did you take part in the division when this question of revaluation was decided?—Yes.

194. What was the division-list?—The division-list was on the present proposal or on one that was slightly more stringent.

195. What were the numbers?—The present resolution was carried by eight to four or five against the more stringent resolution. We were all unanimously in favour of revaluation, but we were not decided as to when that revaluation should be made.

196. You were unanimous on the question of revaluation?—Yes.

197. There was a division when you came to revaluation retrospectively?—Only as regards the proposal that was carried, viz., that it should be made to apply on the death of the present lessee, or on the transfer of the lease, which might occur first. That was carried as being the less stringent of the two proposals.

198. Do you think there would be much occupation for people in your own pursuits when you made the leases all over the colony subject to an hour-to-hour revaluation?—Well, it would be hardly from hour to hour, and it would conserve to the tenants their full right to the improvements. I believe some of the gentlemen who were giving evidence previous to me would be glad to have their leases on these terms preferably to those they have them on now.

199. Revaluation on the death of the lessee?—Yes, or at definite terms of twenty-one years.

200. Do you think this agitation you are fostering tends in the direction of realising your hopes?—It will ultimately.

201. Do you think it possible it may have the opposite effect?—No.

202. Are you aware that from the North Cape to the Bluff you have produced a sense of uneasiness both amongst the leaseholders and the freeholders?—No, I do not believe there is any serious uneasiness at all.

203. I will give you four names: McLean, Clive, Winks, and Fantham, I believe, is the fourth: These are four capable, bright, young, country settlers who have left the colony with £20,000 of capital since the declaration, and largely owing to the declaration, of your organization in Wellington of its policy in regard to the land?—They have left the land to us, and we have still got the labour to work it.

204. They have taken £20,000 of hard cash out of the colony, and they are all practical young farmers. You cannot find many of the same class of these young men. I may mention that the district they have left is the Hawera district. Your Council can verify this information if they care to do so. You say it is almost impossible to borrow on the leasehold?—That is, going by the evidence I have read as given before this Commission.

205. What you say is that that is one of the strongest reasons for the leasehold?—Yes, simply because the freehold causes the man to be at the mercy of the mortgagee.

206. What is the connection with the freehold in this respect?—We are speaking of the 999-years lease: what has that got to do with the freehold?—That was according to the evidence.

207. The evidence is that it is almost impossible to borrow on these leaseholds, and you say it is almost impossible to borrow on these leaseholds?—Yes, the borrowing places the man in the hands of the mortgagee every time.

208. Are you aware that the Advances to Settlers Department have lent out several millions of pounds?—Yes, but most of the applications have been made by outsiders.

209. That is owing to the insecurity brought about by your agitation?—Perhaps so.

210. You say that speculation in these leases is destroyed by revaluation, and you give instances where speculation is going on with regard to these leases?—I was reading *Hansard* of last session, and I find that there are very few of the original settlers at Cheviot, while the land there has been changing hands at large premiums. It was not contradicted, so I presume I was right in accepting it as fact.

211. Do you think the leaseholder should not have the right to dispose of his lease if circumstances required him to go elsewhere?—Yes, he can give it up now, but when the welfare of the colony demands that land, it is not right that it should be placed at the mercy of a few holders.

212. You state that you are a shareholder in the 11,000,000 of acres of land held by the colony?—I have a small share of it.

213. Has the outsider a share in it too?—So long as he makes a home for himself on it and does his share towards the upkeep of the community.

214. If a Chinaman comes in and gets naturalised, does he get his share?—They will not naturalise him now.

215. Is that division you spoke of on the question of the revaluation of existing leases fairly representative of the feeling of the members of your organization?—Well, yes, you can take it that the majority were in favour of the proposal as we carried it; the rest of them were in favour of a more stringent proposal, but we, who were defeated, will accept the less stringent measure and throw in our lot with the majority and go for a little if we cannot get the whole.

216. The resolution was carried in favour of revaluation on the death of the lessee?—Yes, that was carried.

217. I suppose you are aware there are a number of these lessees in the position of wanting to buy for cash and take up lands they were quite satisfied with until recently?—They are not debarred now from buying for cash; there are plenty of speculators in land who are only too glad to sell for cash. We only took up our stand with regard to Crown lands; we do not want any more of the Crown lands of the colony sold. As for those having a hankering for the freehold, let them buy from the freeholders, but not from the Crown.

218. Are you aware that your agitation is unsettling those men who were in favour of the leasehold?—I do not believe it.

219. Have you followed the evidence throughout the colony?—Yes.

220. And still do not believe that?—No.

221. *Mr. Anstey.*] Do I understand that the whole of the members of your organization were unanimously in favour of revaluing existing leases?—That division-list was eight in favour of the proposal which was carried, and five against it. The five who voted against it were in favour of a more stringent one.

222. You are all in favour of the revaluation of existing leases?—Yes. It was deemed advisable that the labour party should make its attitude with regard to existing leases quite clear and definite.

223. I understand the labour party are unanimously in favour of repudiation?—We are in favour of righting a wrong if it means repudiation in that respect, but not so far as the existing lessee is concerned; let him enjoy the lease for the whole of his lifetime.

224. Supposing a man goes on a section and takes it up under lease in perpetuity, and that the man has a wife and possibly a family, do you mean to say when that man dies, and the wife is deprived of the assistance of her husband, that that is the proper time to select for raising the rent on them: is that the unanimous opinion of your organization as representative of labour?—Yes.

225. Do you think that that is honest, right, or just?—It is right that the interests of the whole community should be the first consideration.

226. Do you think the interest of the community is to seize the opportunity to worry the unfortunate widow because her husband has happened to die?—We made the proposal that during the lifetime of the man the rent should remain as it was.

227. Supposing when a man dies the land is going to be revalued, and supposing the man has two or three children, and that they have been working on the place for years to get a home for themselves, do you think that as soon as the father dies, and they are deprived of his assistance, that you should select that as the time for raising the rent?—It is to be subject to revaluation, and if the land is not worth an increase they will not have to pay an increase.

228. You think that is quite honest, after deliberately entering into a bargain, to vary it?—It is in the interests of the community, and they have a right to override the interests of the individual.

229. You say the lease for 999 years is a deliberate bargain entered into between the State and the individual?—Yes, it is a bargain.

230. Now, when the Crown sells for cash they enter into a deliberate bargain?—They sell it.

231. Is there any difference between the two kinds of bargains?—No.

232. Then, if you are going to repudiate on the one hand, why not the other also?—If it is shown to be in the interests of the community to do so, I say do so. The interests of the community should be the first consideration of the Government.

233. Millions of acres have been purchased from the Government at any price from a few shillings to pounds per acre; some of these lands are now worth £20 per acre: do you think it would be right to resume them at the original price?—We put forward no workable scheme for land-nationalisation.

234. Do you not think it is as honest in the one case as in the other?—I think the unearned increment should accrue to the State, and that the State has a right to tax on the unearned increment.

235. You have not answered my question. You say it is right for them to repudiate the lease-in-perpetuity contract. Now, with respect to men who have purchased land at, say, £1 an acre which to-day is worth £20 an acre, is it right that the State should take it back at the original £1 an acre which was paid for it?—It might not be able to take it back in that way; it might tax it out of him by the imposition of taxes.

236. You think it would be fair to do that?—I think it is fair and just for the State to impose whatever taxation they see fit without any talk of repudiation.

237. Will you tell me what particular lease you favour, what you consider a fair lease?—Twenty-one years with revaluation.

238. Do you think at the end of twenty-one years you can give the man a fair position?—I have not gone into the length of the period, nor has the labour party, but that is the general idea running through all our discussions, from fourteen to thirty years, but I think twenty-one is what might be termed the average.

239. You gave us figures about the unimproved values in the various towns: are you aware there are continual complaints with the valuations now, continual complaints about writing down the improvements and writing up the values. You think that is quite fair?—Of course they are taxed on the valuation.

240. They are taxed on the unimproved value, which, generally, is more than they have a right to pay?—I have read that there is some land the owners of which objected to a valuation of £30 an acre, and part of the same land was sold at £60 an acre. It is only when it is for taxation purposes that they complain the values are too high.

241. In the case of a man who has got 100 acres and showed he had expended £4 an acre in improvements while its original value was £1, would it not be a just thing to write the improvements up to £3, and the value at £1?—We are absolutely in favour of the tenants having the right to all his improvements.

242. Can you tell me how you could conserve his rights?—In the event of a dispute there is the Assessment Court. They may assess and he can bring what evidence he likes, and on that evidence they can assess his improvements and the unimproved value of the land. I believe the Assessment Court would deal out justice to them.

243. You gave us instances of town lands that had gone up largely in value: can you give other instances of rises in value in Crown lands in the back blocks?—Unfortunately the figures relating to the increases in these Crown lands are not quite so handy as in the case of some of these others. I have tried to get hold of them, but in the time at my disposal I could not get them.

244. Are you aware that we have had evidence from time to time that there has been no absolute increase of value in these back blocks, and if you take the existing Crown leases there is no increase in the value except in the labour applied to them. Why not give us some of these figures to prove your case?—It is simply a matter of principle. I say these town lands show a large increase. The back blocks of to-day are the towns of to-morrow. What was Wellington itself worth fifty years ago? It is now worth £6,000,000.

245. You have told us of the immense increase of the unearned increment in the cities, and you have failed to show us any unearned increment in these remote Crown lands. Would it not be wise for your unions to turn their attention to where there is a large increase in the increment in the Crown lands and cease worrying and deterring people from going to the back blocks?—I think we are going on fair lines to do our duty to the country as we see it, without fear or favour.

246. With respect to Ashburton, you said the freeholds are practically all mortgaged?—Yes.

247. Did you ever see a bad season in Ashburton?—I could not cast my memory back.

248. Did you ever see a general stampede among the farmers: you say they have all mortgaged and one season would throw them all out?—I am meeting fellow-tradesmen here in town every day that have been in the back blocks and have had their freeholds, and through bad seasons and foreclosures they have had to take to their kits again.

249. It was Ashburton we were talking about. Did you ever see a bad season at Ashburton that cleared the lot out?—No.

250. Then, your statement must be grossly exaggerated. You said they were all mortgaged, and with one bad season they would be all thrown out. Is that not a gross exaggeration of the truth?—I do not see that it is.

251. *Mr. Paul.*] From the examination you should gather that the position of the bush settler is not altogether a happy one?—No, I agree with that.

252. Do you think, as a representative of a large party, that there would be any solid objection to making the conditions for the bush settler as liberal as possible, even to giving him a long lease, part of which would be without rent?—Yes, I believe that the Government should make it as easy as possible for the man in the back blocks, even if they do without rent, and erect his dwelling in the first place to get him to take up the land.

253. Do you think, as a representative of a large and influential section of the community, they would object to the Government giving him a long lease for the first term, of which he would have it practically without rent?—I do not object to that, providing there was a proviso in it for a revaluation.

254. You would give him what would be a very good equivalent for the freehold, only it would have the immediate advantage of being somewhat definite instead of something that might happen if everything goes on all right?—Yes.

255. Now, with regard to this revaluation of present leases, you know that under the Land for Settlements Act, at all events, some settlers who have bought from the original selectors have paid a very large amount for goodwill: how would they come out under your proposal?—You mean with regard to existing leases; that would only apply to other leases after the first revaluation had taken place. With regard to existing leases the other revaluations would follow on periodically at intervals of fourteen or twenty-one years.

256. That is not the point I want to find out. What is the position of the man who buys in, who has bought the goodwill of the section?—He would have to take up that lease subject to its revaluation.

257. At present there is no provision for revaluation. You know that many of these sections have been sold, and that men have paid for the goodwill of these sections to the holder: in what position does the man find himself who buys in in this way and pays for the goodwill?—He is in the same position as the original lessee. He would apply for the lease at what he thought it was worth, and would be allowed to enjoy it for the best part of his life.

258. He bought something that he honestly thought would go on for 999 years, and the State comes along with a proposal to take away the community-created value of something he has paid hard cash for?—Yes; but he would be allowed to enjoy it for the full term of his life. As long as he desired to hold that lease he can enjoy what he has paid for.

259. Why should you confiscate the freehold when the State requires land for closer settlements?—I do not know why some of the larger prices are paid for land. I have never been able to understand it yet.

260. Do you not think it would be just as logical for the labour party to say, "We will take over the land we require for closer settlement without compensation, or take the community-created value for nothing and give him the bottom price for his land" ?—That is so; we have a right to take it by taxation and the right to tax it away absolutely without any talk of repudiation.

261. Can you not see the position of the party is not logical where they pay cash when they want freehold for closer settlement and part of that price, or the larger part of that price, may be a community-created value: when they want that they pay cash for it, but now you propose to take that same value from the leaseholder and pay him nothing for it ?—We do not advocate paying this large price for the community-created value. Our position is not illogical, because we do not advocate the reverse position which you outlined.

262. Is it not a fact that the labour party took a very big part in bringing the lands-for-settlement legislation into operation ?—We have been blamed for any bad points in connection with it, but other parties took advantage of it at once.

263. Is it not a fact that the labour party played a very large part in bringing in the Land for Settlements Act ?—I believe they did, but they were not acting then as a labour party. Their lot was thrown in then with the Liberal party; they were mixed.

264. One of the Commissioners asked you if you had a freehold would you give it up: do you not think you would be a fool if you did ?—Nothing of the kind. Well, under the present circumstances, I suppose I would be a bit of a fool to give it up, because it might leave me at the mercy of the other freeholders, and I do not think I would benefit by that.

265. If it came to a question of giving up your freehold and taking a lease, providing the rest of the freeholders were placed on the same footing, I suppose you would have no solid objection ?—No; I understood, as I said when the question was put to me previously, the State was to capitalise the value of the freehold.

266. Do you mean to say that there was not one man at the conference opposed to the resolution as carried ?—Those who opposed it were in favour of a more drastic one.

267. You wish it to be conveyed to the Commission that this resolution which was carried at the conference was unanimous ?—Yes; you may say that, with that exception.

268. There was not one man at the conference opposed to revaluing present leases ?—He did not express himself. The man strongest against it was the man who moved the motion which was carried, and that was Mr. Scott, of Dunedin.

269. You know we have had several labour delegates before the Commission and, with three exceptions, they were against revaluing existing leases ?—I believe Mr. Scott, in his evidence in Dunedin, was against revaluation.

270. Perhaps a dozen other witnesses were against revaluing existing leases ?—I cannot help their individual opinions. What I have given was the decision of the labour party of New Zealand in conference.

271. You wish to carry that further and say that not one man at the conference was against the resolution carried ?—Eight voted in favour of that, and the five who voted against it were in favour of a more drastic proposal. I can only go by the expression of opinion at the conference, and there was no expression of opinion, as far as I can recollect, against the proposal here set forth.

272. If I say there are five members who were at the conference who are against the revaluing of existing leases, will you contradict that ?—If they were there they kept silent about it, and either voted for the decision arrived at or for the more drastic proposal.

273. Was not the resolution carried at the conference a compromise: was it not a question of those who were against any interference with existing leases voting for that or the stronger one being carried ?—There were some members of the conference who were arguing against any alteration, and, on Easter Monday, they were saying that they were against it on principle, and so on. We had a general discussion. I do not know whether we were serious or not, but, when the conference opened, the outcome was an amendment which I moved to a proposal that was before the meeting. Mr. Scott, who was one of those who argued against it when we were outside, and previous to coming to the conference, was the one who moved the amendment as a prior amendment to the one which I had tabled, and his amendment is the proposal which was ultimately carried.

274. Was it not a question of Mr. Scott getting his amendment carried or a more drastic proposal being carried ?—Not if, as you say, there were so many who were against it. Even if it did, it simply means that those who were against it throw in their lot with the majority and are prepared to stand by their conference decisions.

275. You think there is no doubt about that ?—No. They are loyal labour men and will stand by the decision of the conference.

276. Are there not times when the loyalty of a man to any party must cease if against his convictions ?—Yes; I think so, but they would not have voted for the resolution which was carried as against my motion if it was against their convictions.

277. If that was the best that could be done under the circumstances they could hardly be blamed ?—Yes; I do not believe to any great extent in compromise when it is a matter of principle.

278. Can you tell me the object of four men leaving this colony with £20,000 in their pockets when there is plenty of freehold for sale ?—I think they wanted to tour round and enjoy themselves.

279. Do you think there is a possibility of their coming back when they have spent their money ?—They nearly always do, but if they do not we can do without their money so long as the land is left, and they cannot take that.

280. Can you say from your own knowledge whether the cost of living has increased in Wellington ?—I know it has within the last ten years.

281. Is it a fact that there has been an increase in wages during the same time?—No, with one or two exceptions, the principal trades have had no increase in wages. One or two small trades have had an increase, but generally there has been no increase in wages whilst there has been a large increase in the cost of living.

282. Can you give an opinion roughly as to the proportionate increase in the cost of living?—Yes, a minimum of 25 per cent.

283. Do you find in the city that rent increases out of all proportion to any rise in wages?—I know it does.

284. Is there any land suitable for workmen's homes in Wellington?—There are a few areas within our extended district which might be used for the purpose.

285. Is there any demand for such homes?—Yes.

285A. Is it easy for workmen to rent houses at suitable rents?—No; it is almost impossible to get a house at a reasonable rent.

286. A man told the Commission that eighty per cent. of the workers in the cities own their own houses: is that correct?—From the opinion of different land agents in this town, and from my own observation, I say that eighty per cent. of the workers are unable to dwell in a house by themselves. Eighty per cent. have either to take lodgings themselves, or rent a house and then take in boarders, or let rooms to pay the rent. That is generally owing to the high rents. Take a man earning 1s. an hour, and that means for dry weather, and in winter-time will not mean £1 10s. a week. If he has five or six of a family he will have to pay from 14s. to £1 a week rent, and he cannot do that out of his wages and support his family as well. It means letting rooms; it means overcrowding.

287. It does not seem as though the back-block settler has a monopoly of the misery?—No.

288. *Mr. Johnston.*] We want to definitely understand the position. Do you represent the whole of the affiliated unions of the Trades and Labour Council, or do you simply represent a majority of the majority of the various unions?—I am representing the whole of the affiliated unions of the Trades and Labour Council.

289. You absolutely represent twenty thousand people?—The decision of the last conference was the decision of twenty thousand unionists throughout the colony.

290. You were selected by that conference to give evidence?—No; I was selected by the Wellington Trades and Labour Council as their president.

291. This motion which was carried was the less drastic of two motions?—Yes.

292. And the only compromise that could have been got?—I do not know. No further amendment was moved.

293. You were asked a question to which you replied that no land-nationalisation scheme had definitely been put out in detail. Is there one in prospect?—I hope there will be. It is time there was.

294. Do you think that a man who never had anything to do with the hours of labour should dictate what hours should be worked? Do you think that the capitalists of the city should say that the labouring class are to work eight or twelve hours a day?—No.

295. Well, then, do you think it is just that men who have had no earthly experience of any kind on land should dictate what terms should be extended to a settler in the matter of revaluation?—We are not dictating terms.

296. Your evidence said twenty-one years?—I did not give any definite term, but I said that twenty-one years seemed most reasonable.

297. You said that you had met a number of men who had forfeited their sections because of the state of the back blocks: could you give us between now and Saturday morning a list of the names of those men and the blocks they resided on?—I would have to get their permission before I could use their names. I am giving this evidence on oath.

298. Will you give us a list of the number of men?—I know of three men at this moment who have had the freehold and have been forced in to the town through the mortgages.

299. *Mr. Anstey.*] You did not make it clear in reply to a question by Mr. Paul what would have happened in the case of a man who had paid a large sum for the goodwill of a lease in perpetuity. For instance, supposing £1,000 has been paid for a goodwill, and this man who paid that did so knowing that the property was to belong to him, and his wife and family afterwards; suppose that man dies twelve months afterwards: would you steal that money?—I would submit the section to revaluation. He takes the risk of a speculation.

300. There is no risk if he has entered into a definite agreement. If you break an agreement which cost a man £1,000 it is like stealing the money from him?—It is the same as a man investing money in land under one system of taxation, which taxation is shortly afterwards considerably increased. That man might consider that you are practically confiscating his income by land-tax.

301. You think it is perfectly fair to steal that £1,000?—The good of the community must override the interest of the individual. It is a question of principle.

302. I think you misunderstood Mr. Johnston's question as to how many you represent. You represent the Wellington Trades and Labour Council, but at the same time you think that the opinions you express represent the feelings of the majority?—That is so.

303. You do not represent the executive of the Trades and Labour Conference?—No; I said that at the start.

304. The New Zealand executive of the Trades and Labour Council is not represented?—That is so.

305. *The Chairman.*] How many do you really represent in Wellington here?—Our numbers run from two thousand five hundred to three thousand. My opinions with regard to land-tenure and revaluation are indorsed by the whole of the councils.

ROBERT ALFRED GOSSE examined.

306. *The Chairman.*] What are you?—I am a carrier at Lower Hutt, and a settler in the Epuni Hamlet. I have 1 acre lease in perpetuity, and am paying £6 4s. a year rent. I have held the land for three years. I am satisfied with my lease, and also with the land. I should like a periodical revaluation, as I consider it would be perfectly just. We have had a meeting there, and I think I am expressing the views of half the settlers there. I am not here to represent them, because I think they will be here themselves to-morrow in force.

307. Is there anything else you wish to bring before us?—There is one question which affects the leasehold there, and that is in order to enable that land to be profitably worked for agricultural purposes, for which they took it up, the rent must not be more than £7 per year. The present rent is £5. and with rates and taxes it is brought up to £7. For the past few years the value of the land has been gradually increasing, until it bids fair to get past the price at which the settlers can make a profit out of their labour.

308. That will remedy itself, as the people will not take it up if they cannot make a profit?—It is a perpetual lease, they cannot throw it up. It is a fundamental clause in this lease in perpetuity, and if it does not affect them at present it will later on, because with rates and taxes the rent threatens to get past that point at which the farmers can make a living. They are restricted to using the land for agricultural purposes.

309. Are you speaking of the Epuni Settlement solely?—Yes.

310. What is the area of the sections?—1, 2, 3, and 4 acres.

311. But you cannot call those settlers farmers?—They make a living off the ground.

312. Horticulture?—No, agriculture in some cases, and in others pure farming.

313. You are carrying on a business and using your section as a residence, I suppose?—Yes; I have stables there and a residence. But it is a fundamental principle in the land laws of the colony that the farmers can only use that ground for one purpose. They cannot cut it up; but as the rates are gradually increasing they cannot make a living off it. The Government bought the land for £90 an acre, and it is worth £400 an acre now. There has been a tremendous rise in the value, and the rates and taxes threaten to go past that point at which they can make a living out of it.

314. I hear the Chinese are paying £10 a year for land there?—They cannot do it profitably. If the same principles as I have mentioned are applied to the lands of the colony as years go on, then the lands cannot be profitably worked, and it is a matter that should be remedied if possible.

315. *Mr. Johnston.*] Did you expect the Government to cut it up for you to make a living off 1 acre?—It was cut up for workmen's homes, and for them to make a living off it. I may say I am a single-taxer and land-nationaliser

316. *Mr. Anstey.*] Do I understand you to say that you object to a fixed rent because you think that with your rates and taxes the rents are likely to be too high?—Yes, later on.

317. And you think as rates and taxes go up the rent should come down?—Yes. There is a clause in the tenure under which you can only use the land for certain purposes.

318. Then when the land is worth £200 an acre it will be too dear for growing crops, and will have to be used for building-sites?—Yes. The Government will have to remedy that.

319. Supposing the land is now worth £400, and the Government paid £90 for it, you mean you will not be able to pay the rates?—It is giving us the land for nothing. It is too good for us.

320. *Mr. Paul.*] You think you would be better off in the settlement than if you had to pay rent to a private landlord?—Far better off; but a working-man cannot get a chance there with freehold ground.

321. Is it not generally contended that if the single-tax were in operation there the rents would be higher?—No; I never say that. I think the single-tax would bring the rents down.

322. Is not that the general contention of those who are opposed to single-tax?—No; I think it is opposed to their contention. A single-tax makes the taxation very low.

323. Is there a demand for more of these settlements similar to that at Lower Hutt?—Yes.

324. Is land available for that purpose?—No.

325. Is the land too valuable?—Yes. It is getting scarcer and scarcer, and workmen will have to go further afield every day for it.

326. Then if land is getting scarcer and scarcer the position of the worker is getting worse?—Yes, every day. He is not getting a chance. If I bought a section at the Hutt it would cost me £150, and to build a suitable house would cost me £350, that is £500 in all. The landlord wants 10 per cent. on his capital, and that means that a workman has to pay £1 a week for a house. How can any workman do it. Houses are so scarce and rents are so high that there are three families in some cases living in the one house. I know some cases where there are two families living in one house.

326A. Are there not any houses to let at 10s. a week?—No; £1, £1 2s., 15s. There are none at a decent rate.

327. *Mr. Anstey.*] You are a master carrier?—Yes.

328. You say you believe in the single-tax?—Yes.

329. Do you think the colony would get on better if you had the single tax?—I think it would get on better.

330. And do away with all Customs duties?—Yes.

331. How would the manufacturers get on then?—They would have to take their chance in the open market.

WELLINGTON, THURSDAY, 15TH JUNE, 1905.

ALEXANDER OSBORNE examined.

1. *The Chairman.*] What are you?—I am a bookbinder residing in Wellington, and have resided here for a period of between twenty-five and thirty years. I hold an acre section in the Epuni Settlement, Lower Hutt. It is held under lease in perpetuity. I have been there for two years. It was a transferred section from an original holder. My rent is £6 4s. a year, with a rebate for prompt payment. I reside on that section, and go into town to attend to my work.

2. Have you anything special to bring before the Commission?—Nothing beyond wishing to express my approval of the system of leasehold, and one or two other little things that have occupied the attention of the settlers out there, which I think might be of some guidance to the Commission. I desire to read the following petition to the Commission signed by fourteen settlers at Epuni: "We the undersigned settlers on Epuni Hamlet desire to express our approval of the present system of leasehold, and, with certain amendments, believe it to be in the best interests of this country." I wish to add a few remarks with regard to the amendments referred to in the petition. The amendments that the settlers think would be advantageous are in connection with valuation. One of their grievances is that in valuing the property the valuers take the same view of the leasehold that they do of the freehold, and the Epuni Settlement is unique in one respect—namely, that it is in the centre of a large number of increasingly valuable freeholds. They consider that if the system is continued of valuing leaseholds in the same way as freeholds are valued, it will be a considerable hardship to them as time goes on. Already their taxation has considerably increased, and it is becoming a hardship to those who are holders of 4-acre sections. It is not such a hardship to the man who holds 1 acre, but there are some of them who took up sections with the view of trying to make a living on them, but they find that with the increased taxation they are afraid they will be forced to part with their sections reluctantly. Another question is that with regard to the increase in rent. The original sections were taken up at certain rents, and as values go on the Government have increased the rent to the tenants who have come in on forfeited leases. One or two cases where the tenants have forfeited and the sections have been taken up by other people, the rent to them has been charged higher than that charged to the original holder, and that tends to cause a feeling of dissatisfaction amongst the settlers, especially in the case of those who are living next to men who are paying, say, £6 an acre. The man who takes up the section next to him is asked to pay an increased rent, notwithstanding, perhaps, that the adjoining land may be more valuable. He really only wants to use it as a residential site, and an added value is given to his land and he feels that it is a hardship that he should have to pay the increased rent. There are one or two cases of serious hardship in that respect. I believe these two things are causing considerable trouble, and will help to spoil what is a good system. There is no doubt in my mind that the system of acquiring these holdings for workmen's home is very beneficial. If these settlements are established near towns, they are likely to have a bearing on the rent question especially. If the Government were to acquire land for that purpose I am quite convinced that they will be successful. Perhaps the holdings might be smaller—even half-acre sections might be an advantage—but I am quite convinced they are good if properly worked.

3. You say that the valuation is increasing?—Yes, very considerably.

4. In the case of the rents that have been increased, may that not have been owing to the improvements done by the tenants?—In some cases perhaps that is so. I may state that in one case the holder was asked to forfeit because he had not effected any improvements. Even in that case the rent was subsequently increased.

5. *Mr. Paul.*] You bought this section from the original holder?—Yes.

6. Did you pay anything for goodwill—for the value of the improvements?—Yes, a little, I think about £50. There was not much changed hands in the way of goodwill. That was understood to be the actual value of the timber and the house.

7. Do you consider you have an advantage over the ordinary working-man in Wellington by holding one of these leases?—Yes, in many respects, especially with regard to the rent problem. I believe if I were living in the City of Wellington in a house similar to the one I am occupying—to say nothing as to the area of the ground—I should be paying three times as much as I am paying now.

8. Is there any suitable land in the vicinity of the Hutt, or within a reasonable distance of Wellington that the Government might acquire and let under these conditions?—Yes; I think there are considerable areas of land about here that might be acquired. The Government might have to pay a little more for them, but if they cut them up into smaller areas, I believe that the working-men would—assuming that it was easy to get to them—take advantage of the opportunity and take them up; in fact, I am quite certain of it.

9. Regarding the area, do you find you can cultivate and attend to this acre as well as to your ordinary every-day business?—No; and that is the real reason why I believe if the area were smaller, say, half an acre, or in some cases where land is valuable it might be cut up into quarter-acre sections, and that would be, I think, an advantage to the men living on the land. Personally I am not able to use the whole of my land, but I have an idea that later on, when perhaps I shall have more time, I may be able to use the whole section; but the land is not doing any harm as it remains at present, and although it is not under cultivation, it is being improved gradually.

10. Then the size of the holding might be brought down to a quarter of an acre?—Yes; to meet the convenience of men who work in the town for a living, but I believe there are areas of land—4 acres, for instance—where, if the conditions were not too harsh, I am sure they could provide a living for a man. Then there is the question of valuation.

11. Do you mean valuation for taxation purposes?—Valuation and the increase in the value of the land.

12. Have you given any consideration to the question of the revaluation of future leases?—Yes; I have—not a very deep one, but I have considered it in relation to the little holding I have.

13. Do you think it would be an equitable principle to revalue the leases in future?—Yes; I believe it would for certain fixed periods. I believe in giving a lease, say, of twenty-five years. Perhaps it would be equitable to revalue at that time if the leaseholders were to take up the land again. I do not see anything wrong in that.

14. There was a proposal made before the Commission yesterday to revalue existing leases: how do you view that?—I cannot say I agree with that. I think that the contract should be kept. The Government have made an agreement with their tenants, and I believe in equity it is fair they should keep it.

15. Both the tenant and the Government?—Certainly.

16. *Mr. Johnston.*] Do you not think it would be quite sufficient if in cutting up these sections the Government should cut up just a sufficient area to give good breathing-space to a section and a garden in front and at the back, and sufficient room for a good-sized house?—Yes, I do. I believe that is the best way to settle the difficulty.

17. These settlers who object to the increased rental: do they object to it because you have paid for improvements and something for goodwill, and therefore you should get the interest on your money? Do you not object to anybody who buys in paying for the goodwill?—I do not know in many cases whether they do object to it; but in the locality in which I live there is very little goodwill obtained. Holdings have changed hands at a value representing the bare improvements, but without any added value for the goodwill. The experience there has been that there is no goodwill.

18. The evidence yesterday practically allowed for a considerable amount for goodwill?—I do not know of any instance of that. I have watched the transfers that have taken place and I do not know of any in which there has been any profit for goodwill.

19. There was a certain amount of profit in your case?—In what way did I give that impression?

20. You said that it was about £50 and then you corrected yourself?—I did so, but I had in my mind the timber; but when I come to think of it there cannot have been very much goodwill.

21. It must have been something?—It may have been a little—it was not a great deal.

22. One witness stated that what the Government bought for £90 an acre is now worth £400 an acre?—That is a correct statement so far as the value of the land is concerned for taxation purposes.

23. I think he said that that sum could be obtained for the land?—I am not so optimistic as that witness in that respect.

24. *Mr. McCutchan.*] What do your local taxes amount to on this acre?—£2 12s.

25. Do you think that is likely to increase in the future—the burden of local taxation?—Yes; there is a general impression in the settlement that it will increase. In fact, they have given notice of an increase in the notices we have received.

26. Is it possible that in the future, as fresh conveniences are supplied involving further expenditure, that local rates may exceed the rent?—Yes; it is possible, but under some conditions.

27. Is it for that reason that you advocate revaluation periodically?—I was asked if I believed in the revaluation, and I said that I thought it would be more equitable in the case of future leases.

28. Is it with the knowledge of the conditions of rural settlement that you make that remark, or do you mean it to apply only to suburban lands?—I mean it to apply only to land I have an intimate knowledge of—not to the land question generally, but only to homes for city workers; although, of course, I suppose it would apply to all land.

29. In the case of this forfeited section that has been referred to, what was the increase in rent put on by the Lands Department?—I think it went up from £6 to £10 a year.

30. What period of time elapsed?—About two years.

31. There was an increase of £4 a year rental in two years?—Yes.

32. *Mr. Anstey.*] You say there is a danger of the local taxation increasing so much as to render this land unprofitable to the occupier for any purpose but building-sites?—That is so.

33. It is too dear for market-gardening?—It has been proved to be too dear for that already.

34. Do you think it is wise for the Government to resume possession of that land and offer it to workmen in as low as quarter-acre sections, at the same time fully conserving the tenants' interests and allowing them sufficient land for their purposes?—I do not think that would be a bad thing.

35. Do you think it should follow in all cases that dispossession or breach of title should only take place on full compensation?—To me that seems equitable.

36. Generally speaking, do you think that workmen's homes should consist solely of a site merely sufficient for a house and garden? Has the average workman time to devote for farming land?—Very little. In places where land values are likely to remain fairly even there would be no harm in leaving a man on a fairly large section which he might ultimately make use of as he grows older. A man's hours of labour vary and he might have a day or two a week to spare, and in that case he might make better use of his land if he had an area to draw upon, assuming, of course, that it does not get too valuable. In the main, where a man is occupied all the week it is better to have the holding smaller.

37. Would it be wise to set aside 4 or 5 acres for these holdings on the chance of a man being sometimes out of work?—Not if the land is likely to increase rapidly in value.

38. I take it that the system of providing workmen's homes, pure and simple, should be confined to small areas—say, quarter of an acre?—I believe that would be the best plan.

39. Is it wise also to provide small areas for men between workmen and gardeners—say, for market-gardening and so forth?—That would be a wise provision.

40. Should not such settlements be in districts more remote from the town?—Yes.

41. Is it of no use setting aside workmen's homes a distance from the town?—No. I believe the closer the land is to the cities the better. Where we live we have to leave home at 6.30 in the morning, reaching town at twenty minutes to 8, and getting home at 6 p.m.

42. Are you a member of any labour union?—I am a member of the Bookbinders' Society, which is affiliated to the Trades and Labour Council.

43. We had the president of the Wellington Trades and Labour Council as a witness yesterday, who spoke as the mouthpiece of twenty-seven thousand labour unionists. In his evidence he advocated the reverse of what you advocate—viz., that we should go in for revaluation of existing leases. In fact, he held it was quite right to do with leasehold what was advocated to be done with the freehold—confiscation. Do you agree with that view?—No; I do not agree with the principle of revaluing existing leases.

44. Can you say whether the view expressed by Mr. Hampton is a fair expression of the labour unions generally?—It is the view of a large number of workers who are in this position: that they have, through difficulties, been unable to get anything of their own, and that has embittered them to some extent against some of the existing circumstances. I think Mr. Hampton was pretty correct in saying that that view is very largely held.

45. You think that labourers as a rule would better their position by going in for a straight-out steal?—I would not like to express any approval of a sentiment of that kind. It is a rather strong statement to make. There are lots of things that are required by the State that are not called "steals." They are acquired. When licenses are taken away as the result of a local-option vote the term—"steal" is not applied.

46. Supposing a man purchases a site from the Government, pays hard cash and gets a title: is it not a straight-out steal to appropriate that?—To appropriate it without compensation, certainly. I cannot go as far as my friend yesterday, although he may, in his view of it, be more correct than I am.

47. You could not say whether the majority of unionists hold Mr. Hampton's view or not?—No; because I am out of touch with the labour movement now, and if I were to say so I might not be expressing a correct view. I might explain that in the past I took a very active part in union matters in Wellington, and in many of their movements I am in sympathy, but living so far from the city I am prevented from taking an active part in their work.

48. How long ago is it since you actively worked with the Trades and Labour Council?—It is seven or eight years since I was a delegate.

49. The Council considered the land question at that time: was it ever considered that revaluation of existing leases should take place?—I have no recollection of the revaluation of existing leases being one of their planks. At that time their principal views were in the direction of acquiring land for settlement and getting people on the land.

50. Is it a fact that the Trades and Labour Councils of the colony took a very prominent part in helping to bring in the closer-settlement policy?—It is an undoubted fact, and it is generally admitted by most people that the Trades Councils of the colony have done the main part in bringing it about.

51. *Mr. McCutchan.*] Was the retrospective revaluation of leases discussed eight years ago?—As far as my recollection carries me back, I do not think it was.

52. Have you any recollection of its having been discussed?—Not very largely.

53. You admit it was discussed eight years ago?—I think the safest thing for me would be to say that I do not remember it being discussed.

54. *Mr. Anstey.*] You say the unions took an active part in helping forth the land-settlement policy: was the proposal to take the estates without compensation at the current value of the land?—That was the idea.

55. Can you tell me when the views of the labour unions changed. You say they were in favour of paying the current value at that time, and to-day you admit there is a proposal to take the freehold at the original cost?—I could not tell you the exact date when they changed on that question.

56. Have they changed recently, or have they held these views all along and hid them?—Possibly, but there has been no reason to express them. I would not make any definite statement regarding that, because my memory is not very clear.

57. Do you know now that they would advocate taking these estates at the original value?—No, I cannot say that, but I believe you would find a number of them who, like many holders of the land, want to buy at the original value.

58. *Mr. Paul.*] Do you know whether seven years ago there was a plank which provided for periodical revaluation of future leases?—Yes, there was.

59. Can you say whether the official pronouncement to-day is that the estates should be acquired at the owner's valuation for taxation purposes, plus 10 per cent.?—I believe it is.

60. *Mr. Johnston.*] If revaluation of existing leases in perpetuity was carried, would you advocate compensation to the tenant for the breach of his lease?—Yes, I think I should have to advocate that in equity.

WILLIAM JAMES NEWTON ADNAMS examined.

61. *The Chairman.*] What are you?—I am a commercial traveller. I have 2 acres at Epuni Hamlet, for which I pay £5 8s. 8d. per acre. I have been there three years, and in the Wellington district for nine years. Yesterday afternoon I heard that a petition had been taken round the hamlet, and last night, in company with a friend, I visited twenty-six people in order to get their views on the subject. I found that three people had signed the first petition under a misimpression as to what was implied by the word "amendment." I took round this petition with me which was signed by twenty-five out of the twenty-six whom we called on: "We, the undersigned settlers of Epuni Hamlet, do not favour leaseholds as granted under the present tenure. The restrictions at present imposed are most

unsatisfactory, and render the working of our land to advantage a matter of impossibility. In our estimation the only remedy that will fully overcome our grievances is to grant settlers the option of purchase." We cannot raise money, we cannot sell, we dare not put up another house, and we are rated on the basis of residential purposes. In the last few years land in the Hutt has boomed very much. One syndicate bought land within a quarter of a mile of the hamlet for £260 an acre, and sold it at auction at an average of £1,054 per acre. Our land was opened to workmen, a term which was defined as working for a wage. Only a casual can make anything out of the land, because we have to leave so early in the morning and get back so late in the evening that we cannot do anything at all in the way of working the land for more than a month or two in the year.

62. Your difficulty is that you have too much land?—No, I am rated as a gentleman's residential site, and the only benefit I can get from it is fresh air. The tenure may be all right, but the conditions are such that if anything happens to a man he cannot dispose of his holding. I know one case of a widow, whose husband died two years ago, who has been trying ever since to dispose of the place, but she cannot get a buyer for the reason that she is not allowed to take time-payment.

63. We heard from the previous witness that not much passed for goodwill, but you get value for improvements?—The goodwill comes to very little. We cannot borrow except through the Advances to Settlers Department, which will advance us very little.

64. Have you tried the Advances to Settlers Department?—Yes, I got £150. I am rated at £845, and I applied for £200 and got £150.

65. Have you cultivated your section?—I have a quarter of an acre in raspberries, and I have a flower-garden, but I cannot spend more in labour because it does not pay.

66. *Mr. Paul.*] What are the exact conditions which interfere with your land?—I am not allowed to sublet any part, and I must not put up another house. I can find no time to get any benefit from the soil, and, moreover, I am unable to get any advantage if anything happened to me. I am unable to get a buyer, and even if I did get one the Government have a free hand in rejecting anybody.

67. You have got more land than you can use yourself or profitably employ your labour on?—I have an acre and a half of land, a house, and the use of breathing-space, and that is all I get from it.

68. How does your position as a Crown leaseholder compare with that of a leaseholder from a private person?—I am under a disadvantage compared with a private tenant, for the simple reason that my house is no security to a creditor, and consequently I can get nothing at all if I want financial assistance.

69. Could you not sell that holding if you wanted to?—Yes, I could at the Government valuation.

70. You said that land was going up to over £1,000 an acre in the Hutt?—Yes.

71. There has been a boom on?—There has been a big boom on, and consequently we unfortunate settlers suffer *pro rata*.

72. Is it not possible to sell your holding?—No, I cannot grow one more flower or one more raspberry, and that is all as a tenant I am getting from the land.

73. Do you mean to say that, while the land in your vicinity has increased enormously in value, you cannot sell your leasehold?—No, and the public are frightened of the leasehold. I could not get one-half of the improvements if I wanted to sell. I can buy land adjoining our own settlement for £250. It is a better locality than ours.

74. Is there not margin enough to allow you to sell to advantage?—No, for the simple reason that they will not allow you to sell to an advantage.

75. Have you a definite knowledge of that fact?—No, only hearsay.

76. I advise you to inquire at the Land Office as to your real position?—I applied for a permit as to my position. I got a certain form, which I had to fill in, stating my improvements and my price for the property, and the name of the person I might propose to sell to.

77. How many settlers are there at the hamlet?—Forty-one, I believe: at any rate, about that number.

78. Could the majority of these settlers buy if they had the option of the freehold?—I think the majority of the settlers would be glad enough to leave the large cities, providing they have that option. If they had that option they would have security.

79. For borrowing purposes?—Security to borrow and sell. At present it is almost impossible to sell.

80. What terms do you want that option on—the option of purchase?—Providing we had that, terms could be arranged, either by arbitration or otherwise.

81. You would like it at the original valuation?—I think sufficient should be added to cover the incidental expenses, and if the Government had their interest on the whole of the amount, including the expenses, I do not consider they should be entitled to any more.

82. You think you should have all this increase in value?—Decidedly, because it is due to our expenditure and settlement in that district that the land has gone up.

83. Do you know of any land in your vicinity that has not been improved in any way, or increased in proportion with the rest: is there any such land?—You should take the Epuni Hamlet itself. It was offered about fifteen months before the Government took it up at not more than £60 an acre.

84. I want you to say whether there is a block of land in the vicinity which has had nothing done to it and which has increased with the general increase in land-values?—I might mention the Taine Estate. Of course it is improved, because buildings have gone up, but before that the land increased in value from £280 to £1,054 an acre.

85. Was there any work done on the estate to justify the increase?—No work. It was a block of about 70 acres, and was cut up into small holdings.

86. Is not a large sum of this general increase in the Epuni Hamlet due to the same cause?—Decidedly. The settlers, by taking up their residence in the Epuni Hamlet, have improved that locality.

87. If it had remained unsettled would it be worth more to-day than five years ago?—It would be worth more to-day, but very little more. The roading, for a start, was not there, and there are sundry other items. It would have cost a certain sum to have brought about the improvements, and it would have increased also to some extent.

88. Without any labour at all?—Yes, without labour.

89. *Mr. Johnston.*] Are you affiliated with any trades union?—No.

90. You are simply a labouring-man and you cannot afford to employ labour at present?—Yes.

91. As a labouring-man you advocate the freehold as against the leasehold?—Not altogether. I have every respect for the leasehold. I think, however, we should have the option of purchase in order to give the leaseholder the security he wishes.

92. The fact of the matter is, if you get the freehold of this land, you could make a good profit out of it: that is the real truth?—We have spent a lot of money and work on it, and I think we are entitled to the option.

93. What are your improvements?—A house, trap-shed, and stables.

94. What is the value, of them?—£445 I am rated for.

95. What is the value, then? Is that what it cost?—It is about what it cost.

96. What is the Government capital value?—The lessor's interest is £217, and the lessee's interest in the unimproved value, which I consider valueless in my case, is £183.

97. Explain what you mean. Your interest is £217?—That is what I am paying rent on. My interest in the unimproved value they say is £183.

98. Then £663 is the capital value of the holding, is it not?—£663 would be the improvements plus the amount it has risen in value in proportion to the land in the vicinity.

99. No, £663 is the net cost: is that right?—No, sir.

100. Well, what is the net cost? What is the cost of the improvements and the cost of the capital value of the land put together?—I am rated for £445.

101. I do not ask what you are rated for. You say your house cost £445: where is the rest of the capital value?—It goes with the land.

102. What does it cost the Government? What do they charge you?—£108 10s. and £183 is the addition which has recently come out.

103. Will you give us the net capital value you got it at?—£108 10s. an acre.

104. And you have 2 acres?—Yes.

105. And you have put £445 of improvements on it?—Yes.

106. Therefore the net cost is £663: is that right?—Yes.

107. What are the rates?—1½d. in the pound.

108. What are the total annual rates on the property?—I have not worked that out.

109. What do you pay a year or half-yearly? What did you pay last year?—£4-something. I think it would be £5 5s. for the year.

110. Say your rate is £6 a year, well, that £663 is revalued, and you have to pay £40 a year for the section and the house?—Yes.

111. Is that not a reasonable rental?—Yes, but possibly if I were called away I would have to take from £250 upwards for my improvements—what I could get in fact.

112. Do you not think that is quite contrary to your other evidence? You have already stated that land has been sold beyond this settlement at the rate of £1,054 per acre. You have 2 acres?—That is nearer the Hutt.

113. I understood it was further from the Hutt?—No. Land adjoining that I can buy at £250 an acre at the present time.

114. Adjoining this?—Not adjoining my section, but adjoining the hamlet.

115. And your capital value is nearly £217, so you must, if you wanted to sell, get good value?—I am debarred from selling to the man I would like to sell to, because the Land Board has the option of vetoing any man I propose. They will not allow any man who has over three hundred pounds' worth of property to buy the section.

116. Do you not think it is a good thing that the Land Board have that veto?—I do in certain cases.

117. Do you think it is a hardship to the working-man that the Land Board should have that right of veto to prevent his land going into the hands of the capitalist?—It is really a hardship, because the settler who goes on to the section is unable to get any benefit from the land except fresh air, and has to pay the same rates as the big capitalist would for a residential site.

118. If it were a freehold, could you get £1,000 an acre for it?—No.

119. Could you get £500 an acre?—I doubt whether I could get more than £250.

120. If it were a freehold?—Yes.

121. *Mr. McCutchan.*] You said you could not raise money on it?—Outside the Advances to Settlers Department.

122. It is looked upon as a bad security by the money-lender?—It is looked upon as no security at all by the private money-lender.

123. For what reason?—Because they cannot seize the house for debt amongst other reasons.

124. Has the question of security of tenure anything to do with it?—No.

125. You think the tenure is absolutely secure?—So far as the lease is concerned, I am quite satisfied myself, although I do not think that the settler will keep upon it for 999 years.

126. You said the general public were frightened of the leasehold, and you questioned whether you could get more than £250 for your section?—No one likes to bind himself to live in one place for ever, and one does not know when he may want to leave.

127. Can you mention instances where the Land Board has refused its sanction to a transfer?—Yes, Mr. Petherick. He was offered over £300 a few months ago for his section and improvements, and last night he offered me the same section and improvements for £200.

128. Was the reason he was refused the right to sell to the person who offered £300 that the transferee could not comply with the conditions?—The transferee was possessed of more than three hundred pounds' worth of land.

129. Is that not a valid objection?—So far as the Government is concerned it may be, but it is a hardship on the man who wants to sell.

130. If the Government do not keep these wise restrictions over the sites they have provided for workmen's homes in the vicinity of the big cities, would the provisions they have made be rendered nugatory?—I maintain it gets the workman into bad credit from the start.

131. You advocate entire abolition of this proviso?—I think it requires a good deal of amending, and the only amendment I see that overcomes the difficulty is to grant the option of purchase.

132. Then the capitalist steps in again and reacquires the sections, and deprives the workmen of every opportunity of getting homes for themselves?—I think not. As soon as the land was secured to the worker he would put his labour into it, and would not be likely to go into it for speculative purposes.

133. What do you reckon the selling-value of your place is?—It is a question very hard to answer on the spur of the moment.

134. Do you think the assessment is a fair valuation?—I would be glad to sell at the valuation.

135. Is that not a contradiction of what you said that you could get land alongside for?—That would be freehold, and I could do what I liked with it.

136. Were you dissatisfied with the amount of the advance you got from the Advances to Settlers Office?—I say I wanted £200. The valuator told me I was foolish not to apply for more, and, as the terms were easy, it would pay to get more as a speculation; but even then they cut me down by £50.

137. Do you think the Land Board should exercise some control over these transfers beyond saying that the transferee is to comply with the conditions?—I think when a man has fulfilled his obligations in respect to the land he should be free to go or come.

138. Hampered by no restrictions whatever?—I think not. Why should the working-man be hampered with restrictions no syndicate would dare to impose.

139. I suppose you know that all rural settlers are hampered by restrictions, and they do not complain that they find it a hardship?—I think there has been an outcry of hardship.

140. So far as the law relating to transfer of sections is concerned, there has been no outcry at all—so far as I am able to form an opinion?—I think the workers' homes and these outside leases are on a very different standing. In the case of the workers' homes, the worker is not allowed to put up more than one house on his section; he is not allowed to sublet any portion, and if he is an honest worker he swears that in his declaration. He has no time to improve the whole of his holding, and yet it does not prevent the valuation going up to a certain amount. In the case of the country lands, probably the man is able to get the benefit of every pound of improvements he has put on it. That is hampered by no restriction.

141. With regard to the increase of the equitable value: Is it not the case that the worker enjoys the same advantage from public works in these localities as the capitalist does?—No; you take the case of the road. The land was put up four years ago this month, and since then only 9 ft. of metal has been laid down upon the road. When winter came on it was impossible to walk along the road. Since then we have had one strip of 9 ft. Certainly they are putting drainpipes down now.

142. Was the block loaded for roading?—Yes.

143. To what extent?—I believe the difference between the purchase-money and the cost of the first lease.

144. Was the loading adequate to provide roading facilities?—I think so, providing it had been carried on in a businesslike way, but I think the less I say about that matter the better.

145. Why?—Because I think any private man would have made a good job of it for considerably less.

146. Was the work done by the local authority?—Yes, it was done by the local authority on a grant received from the Government.

147. What is the local authority there?—The Hutt County Council.

148. So your complaint is against the Hutt County Council and not against the Government?—I have nothing to say against the Government.

149. Has the County Council expended this loading?—They say they have expended considerably more.

150. What is your grievance?—That only the centre of the road is passable.

151. So far as the loading is concerned, you have no complaint against the local body?—I did not come with the intention of making any complaint against the Hutt County Council, but still more money has been wasted than would have put the road in decently passable order.

152. *Mr. Anstey.* Is this steep or level land?—All level.

153. Where is it?—Two miles from the Hutt Station.

154. Is it nearer Wellington than the Hutt?—Further from Wellington.

155. Where is this land which fetched £1,000 an acre?—It is the Taine Estate, at the corner of the Waiwetu Road and the main road.

156. Is that between Epuni and the Lower Hutt?—Yes, about half-way. The Taine Estate faces the main road—part of it. In other parts they have put in decent roads to give access to all parts of the property.

157. How long do you say it is since this road was metalled?—Do you mean our road.

158. Yes?—Nearly three years since it was metalled. They left us the first winter without metal at all; it was just impassable. It was metalled after the first spring.

159. Do you think you were treated with gross unfairness in having to live for a whole year without a metalled road?—I think it was most unfair, but still I think it was more oversight than anything else.

160. You say you were worse treated than back-blocks settlers?—Have you ever heard of settlers in the back blocks being on their sections for ten years without a bridle-track?—My complaint is that as the road was promised it should have been made to enable men to get to and from their sections. My chief complaint is that we are not allowed to get the benefit we should get from a section.

161. You want the right of purchase? Is that what you want?—I have no means of borrowing except I have the right of purchase.

162. Would you be prepared to put your section up to public competition again?—Yes. I think the £108 10s. an acre, with me paying the interest on any improvements, should be sufficient for me to purchase the land.

163. You would not put it up to public competition?—No, decidedly not. I have had my lease for three years, and why should other people have the benefit of my labour and money.

164. That would be given to you if you put it up to public competition?—Yes, I maintain that the hardship is he is unable to borrow and unable to go away. It is not everybody who wants to go away, but still we want to go away at times, and under the present circumstances, the land is locked up, and we cannot do so.

165. You want the right of purchase at the original price?—Yes, or a little over.

166. How much over?—I would be prepared to pay another 10 per cent.

167. Supposing the land had gone down in value, would you be prepared to purchase it from the Government at the original price?—I would still have been in favour of having the option of purchase. I am not in favour of being compelled to purchase it—I simply want the option.

168. But because it has increased in value, you want to compel the Government to sell it to you? If it went down in value would it be fair for the Government to compel you to buy it at the original price?—You misunderstand me. As far as the value is concerned, I have nothing to say against it, but I maintain that unless I have the option of purchase I have no security over my property—I could not sublet it without a very special permit, and I know of only one instance in the case of the workmen's homes where such permission has been given. If I had a dozen customers for the purchase of my property I do not believe that I would be able to get rid of it, because they would say it was unsuitable or undesirable as an investment. I believe I would still have the place on my own hands.

169. You told us that land similar to this is worth £250 an acre, and the original price was about £110. If you want the Government to make you a clean present of £140 an acre on 2 acres, do you think it is fair and reasonable to make that request?—I do.

170. Do you wish that principle to apply to the land all over the colony?—I think a settler who has been a number of years on the property, and made his improvements, should have the right to purchase it.

171. You have only been there three years. What is the use of talking about a number of years? Are you prepared to give the same right to similar settlers all over the colony?—I am.

172. To all the settlers under the Land for Settlements Act?—I am. I think they should have the right to purchase it at the original value.

173. Do you think any Government in the world would be able to continue the land-for-settlements policy under such conditions—if they were compelled to sell this land when the price was high and to continue the leasehold when there was a fall in values?—The Government, in this case, have acted as land speculators, and because our improvements have raised the value of the land £90 to £200 an acre, they are charging new holders the increased rent on £200 an acre.

174. Do you not think these sections are altogether too large? Would it not be better if they were cut up into quarter-acre sections—you would then have room for four workmen on the present holdings?—I do not agree with that, for the simple reason that a workman would not take a holding of a quarter of an acre on leasehold. He could go and pay his £10 deposit and get his freehold, and he would very much rather have it than the leasehold.

175. Do most of the working-men have £10 of ready money in hand?—They have, and they can in the first year put a house on it worth £30.

176. Can they buy freeholds for £10?—You can with a deposit, and payments of 5 per cent. in six months, and 5 per cent. in twelve months, and the balance for a term of years at 5 per cent.

177. At what price per acre can this land be obtained in or near the City of Wellington?—A small holding you would not get as cheap as if you took up a big section and cut it up. A man can get a quarter of an acre for £90 quite as close, if not closer to the station than I am.

178. But you got a whole acre for £90?—Yes, and they have raised our valuation from £600 to £800, and there is no knowing where they will stop when the next valuation comes round.

179. You think that there is sufficient land that workmen can get: if so, there is no necessity for the Government buying any more land for workmen's homes?—I think there are many working in the hamlet who are really sick of their holdings on account of the restrictions which are imposed on them, and are sorry they went in for these sections. We would have been treated much better by the freeholder on paying a small deposit.

180. You say you cannot develop that land properly, because the price of labour is too high?—The price of labour is high, and I have to earn my living all day.

181. Do you not think in that case that there is so much waste land because wages are too high?—I do not object to the price of labour, but on a small place in the country if a workman has to employ labour he cannot do it out of his wages and keep the house as well.

182. If the price of labour is too high, surely there is something wrong, and we ought to make a reduction in wages so that you could get the advantage from your section?—No, the workman who has to earn his living at a fixed wage cannot turn market gardener when he gets home at night, and he may not be a suitable man to turn into a market gardener.

183. If these sections are too large for a workman's use, do you think a quarter of an acre would be much more suitable?—It may be more suitable, but not as a workman's home, because I do not think he would ever look at such a small holding.

184. Then what sort of a section does he really want to live on?—I think a workman would very much prefer to have one-eighth of an acre of actual freehold to 2 acres of the present leasehold.

185. Have you had any difficulty with the Land Board?—I applied for a permit to sell.

186. What are your relations with the Board generally?—I have never had any difficulty with them. Having always paid my rent they have never worried me.

187. What do you think about the constitution of the Land Board?—If it would be workable, I think it would be better for every district to appoint a representative, but in the case of a number of districts it would be hardly workable.

188. Do you mean to appoint one or elect one?—To elect one. I think there would be too many representatives if there were many districts, but at the same time every district should have fair representation.

189. *Mr. Johnston.*] You said you applied for a transfer. At what price were you going to sell your land?—I had no intention of raising that question, but I wanted to find out what form I had to go through in the event of my wanting to sell.

190. You asked, and you said the Land Board refused?—That was Mr. Petherick who was refused. I applied for a permit, and they asked me the name of the intending purchaser, the value of improvements, and the price I wanted for my section. I have never replied to that.

191. *Mr. Paul.*] You want the right to sublet?—Amongst other items.

192. Do you not think that is just the very thing the worker is trying to get away from, private landlords?—It is, but we find at the present time that land is obtainable on such easy terms that it is easy for him to become his own landlord. If a man pays £20 on a section, and another £25 or £20 to a builder the latter would be quite willing to put up his house for him, and wait for his money until he could get it with interest.

193. Why did you take up this land if land is so easily got in the City of Wellington?—I am afraid it was done in an evil moment.

194. Do you not think it would pay you now to get out of the section at any price and take advantage of this freehold land you say you can get nearer Wellington?—I would go out to-morrow if anybody would pay me what I am rated at.

195. Do you think it would be in the interests of this settlement to allow you to put three other houses on your 2 acres and sublet them?—I do not think it would be in the interests of my pocket, because I do not think any workman would care to live so far away from the station when he would be able to get land as cheap closer to town.

196. But from the point of view of the landlord, do you think it would be advisable to allow you to subdivide it and let it out to other holders?—I think it would be just possible if the by-laws of the Hutt Borough, providing that no dwelling should be erected on a less frontage than 40 ft., were applied to the hamlet. I think a 40 ft. frontage and a depth of 10 chains would be quite sufficient area for anybody.

197. Then you have too much land?—I have more than I can work profitably under my present tenure.

198. Would you take the costs of your improvements and go out?—No; then I should lose the interest on the money I have been paying out for several years.

199. Would you take the cost of your improvements and the interest?—I would take what I am valued at.

CHARLES WILLIAM HOWARD examined.

200. *The Chairman.*] What are you?—I am a settler in the Epuni Hamlet. I hold 2½ acres of land, and I pay £5 8s. an acre. I have held it between three and four years, and am the original settler.

201. What do you wish to bring before us?—I cannot very well work the land under the leasehold tenure owing to the grievous restrictions under the lease. The rating value also is so high that I cannot use the land agriculturally and pay rates on it as a building section.

202. Do you agree with what the previous witness said?—Not all of it. I work my land as hard as ever I can, from daylight to dark, Saturdays and Sundays. I am trying to make a bit of money to lay by for my old age. I put all my spare time into the section; but since I took it up the rates have increased so much that I cannot farm the land and make it pay.

203. What is your business?—I am a storeman. In my spare time I grow potatoes and other vegetables. My produce has been sold mostly at auction-rooms. I have my own work to attend to in the daytime, and I took the land up to make a little money as a standby in my old age. I got a fair price, as a rule, for the produce I sold.

204. Was it all in cultivation?—Not all, but very nearly all. I have only realised a few pounds for my produce, not very much.

205. Supposing you had worked eight hours a day, would your produce have given you a fair remuneration for your labour?—No.

206. Supposing you had paid 1s. an hour for your work, would you have made a fair remuneration?—I have not got 3d. an hour out of it.

207. Apparently your trouble is that you have got too much land to use under your present circumstances?—No; although I work hard it does me good. I am better at work than visiting theatres and music-halls and knocking about the streets.

208. *Mr. Paul.*] What conditions interfere with your using this land to advantage?—Supposing I was turned out of work for a few weeks I could work this land during that time; but supposing I was offered employment which was more profitable than working on my own place, if I could sublet a piece of the ground to another man I could share the profit with him. I cannot do that; I must call in labour and pay labour wages straight out. Many a time, if I could have got a man to assist me by taking a piece of my land, it would have been a great advantage to me, and I could have kept at other work.

209. You might have formed a communistic settlement?—That is what I mean—you could call it a co-operative settlement; but we are not allowed to do that.

210. How does your position compare with the average working-man outside this settlement who is paying rent to a private landlord? Do you consider your position worse or better than his?—Much worse. I had a house before I went on this settlement. I had a piece of freehold ground at Newtown. I had sufficient to buy the land, and £80 to provide a shell for the dwelling. In my spare time I worked at the dwelling and finished it. I stayed there four years and a half. I did not work as hard as I have worked at the Epuni Hamlet, but I came away with £400.

211. Have you lost that £400 in the leasehold?—I have lost it in this way, that the house is on the land, and if I had a better show and wished to get out of Wellington I could not possibly sell the land for the simple reason that no man would buy it or the house.

212. What is the house worth?—Say, £300.

213. Are there any other improvements?—There is an orchard.

214. Have you lost money by going in for this leasehold property?—Undoubtedly, because I cannot use the money that I have put into it.

215. Are you a poorer man to-day than when you went on that land?—Yes, undoubtedly.

216. And are you gradually getting poorer through going to that hamlet?—Undoubtedly. Through the land increasing in value it has become valuable building-sites, and it has to pay rates accordingly. A Chinaman closes up the land if it costs him more than £7 an acre rent. The European farmer throws it up if he has to pay £6 a year. We are paying in rent and taxes about £6 10s. a year, and therefore we cannot make it remunerative.

217. You have got too large an area to work profitably if you have to employ labour?—If there were no rates it would not be too great a value.

218. If you had the freehold there would be rates to pay?—Yes; but see the advantage. If it was freehold and I found I could not work it profitably, I would then cut it up or make another use of it; but now I am bound, because I can only put up one house, and I cannot sublet it and so take up other land.

219. You could not sell to advantage at the present time?—No.

220. Although you have just told us that land is selling all round there at a very enhanced value for building-sites?—That is correct.

221. Would you recommend the Land Board to subdivide your 2½ acres into five sections, allow you to take one, and settle other men on the other quarter-acre sections?—Undoubtedly; they could cut it up as much as they liked provided, of course, that I were paid for the labour I put on the ground. I do not wish to make a profit, but I think that for the four years' work I should be paid something.

222. Would that land yield any more produce if it was a freehold?—Of course not.

223. You said grievous restrictions prevented your using the land to advantage?—Yes. If it were freehold, and I could not work one end I would leave that end bare, or I would sublet it or work it on shares. I am now prevented from working it. Perhaps for three months I cannot put a crop in because I have to work somewhere. If I was a freeholder I could let that land to another man who would put a crop on it.

224. You have more land than you can profitably occupy: is not that the real position?—On the leasehold, Yes, as freehold, No.

225. As a freeholder you would let it and become a landlord. Is that the position?—Yes, a landlord on a small scale.

226. You know as a worker that the workers are now trying to get away from that position?—What sort of a landlord would I be with that piece of land. The trouble is that my landlord steps in and says, "you cannot sublet it," and so the land must remain idle and be worthless for three months—all because they will not give me the right to let it to another man for three months.

227. Then if this land were freehold it would be cut up into building-sites?—That is correct; it would in a month.

228. Do you represent anybody but yourself?—Myself and my wife.

229. Have you ever applied to the Land Board for the right to sublet?—No.

230. How do you know they would refuse you?—Because my lease says that I shall not sublet.

231. But you have never asked the Land Board for that privilege?—No.

232. *Mr. Anstey.*] One reason you wish to get the freehold is that you wish to put your savings into the property?—Yes; it is my savings-bank.

233. Do you think it would be wise to allow you, all the Epuni settlers, and all others to do the same thing—to keep this land as a savings-bank and put your money into it?—I think it would be much better to encourage the men to use their sections as a savings-bank than to give them no encouragement at all.

234. You think then that the land should be used for that purpose, and that it should be allowed to remain idle until the settler was ready to occupy it?—But they might put it to worse uses than that.

235. Are you aware that there are a number of people who are protesting against people being allowed to monopolise the land and keep it idle?—I have heard so.

236. Does not that apply just as much to you with 2½ acres as it does to the man with 2,000 or 10,000 acres?—Certainly not, for the reason that I am living there.

237. You say you are only using a portion of the section?—No; I am using the whole of it.

238. If you were to let some of your land to a neighbour you would be prepared to give him the right of purchase?—Undoubtedly I would, always provided I was paid for all labour and improvements I had put on the land. I think that would be only fair.

239. Supposing you get the right to buy the land, on what terms would you want to buy it?—I think it would be only fair that I should be able to buy it at the same price I am paying interest on.

240. Would you be prepared to extend similar conditions to settlers holding lease-in-perpetuity land under the Land for Settlements Act?—I have not considered that question.

241. Are you a member of the labour union now?—No.

242. Is the reason that you have left the labour union because you are now breaking the rules laid down by them?—No; I formerly belonged to the Sailors' Union, but I have not belonged to it for eight years.

243. Would they allow you to work on Sunday or for 3d. an hour?—I do not know.

244. Do you think it is fair that you should now be working long hours and under such conditions as would not be allowed to members of the union, and thus get an advantage over them?—I think it is only right that I should have the right to work in my off time in any way I choose, in order to pay my debts, and I have to work long hours and very hard in order to keep my head above water.

245. Do you think it is quite fair that labourers generally should be allowed to work as many hours as they like?—I find my pleasure in working about my own place, and I prefer that to walking about the streets and talking.

246. Do you think it is fair to allow labourers to work as many hours as they choose?—I have come here to tell you my grievances in regard to my land, and you are now trying to entangle me in a discussion in regard to the labour question.

247. Do you think it is fair that labourers should be allowed to work these long hours at the ridiculous wage of 3d. an hour?—Certainly not. It is not fair to ask them to work those long hours for a daily wage. I think that if a man does eight hours good work for his boss, he has done enough for a day, and he should be allowed to employ the rest of his time as he thinks best for himself. It is more pleasure to me to take a spade and dig in my garden than to simply walk about the streets and talk on all sorts of questions.

248. You have 2½ acres in the Epuni Settlement, and that appears to be too much for you to use. Do you not think it would be a wise thing for the Government to take that land over and cut it up, if necessary, and pay you for the improvements you have put upon it?—Yes; but I think I should be paid fully for the labour I have expended on the land. Then there is the inconvenience I am put to in getting to and from my work. It takes me an hour and a half to two hours a day to get to and from my work, and I think it is only fair I should be paid for that.

249. Should you be paid for all the time you have been going to and fro for the last four years?—Why not? Why should I work for nothing? I wish to say that I was one of those who went round with the petition. I believe one or two persons signed the petition under a misapprehension, because they did not know the meaning of one word in that petition. Since that word has been explained to them they have signed the second petition.

250. *Mr. Paul.*] I would like to point out that there can be no possible mistake as to the meaning of this petition. It expresses approval of the present system of leasehold, and adds that certain amendments might be made in the terms with advantage?—Some of the settlers did not know what the amendments were, and they think if one of the amendments was that we should have the option then they would be quite satisfied. Every man has not got the same education as you have, and some of them did not understand what the word "amendments" meant in the petition. It is because they did not understand the word "amendments" that they signed the second petition.

251. If a man signs a petition in favour of the present leasehold system, it is not likely that he wants the option of purchase?—The position of the settlers in regard to the petition is as I have stated.

THOMAS YOUNG examined.

252. *The Chairman.*] What are you?—I am a farmer, and until a few months ago I resided in the King-country. I had 1,000 acres of land there under lease in perpetuity, but sold my interest in it. I held it for three years, and my rent was 10d. an acre.

253. Is there any particular matter you wish to bring before the Commission?—I desire to make one or two suggestions with respect to the advances to settlers. I think it would be in the interests of the settlers if there was a branch of the Department in each district to deal with the business of that particular district. That would avoid the delay that at present occurs in sending the applications on to Wellington. I may say that formerly I was at Cheviot, and some of the settlers there asked me to assist them in making their applications for advances. No reply had been received up to the time I left. If there had been a local Board in that district there would not have been that delay. I think one-third of the number of members of Land Boards should be elected by the Crown tenants, the balance to be appointed by the Government.

254. What tenure do you think best for settling the country?—I think the freehold or occupation with right of purchase.

255. What was your tenure at Cheviot?—Lease in perpetuity.

256. Had you much land there?—I had 337 acres. I was there before Cheviot was cut up, and remained there for eleven years. I was a settler there for seven years. I should also like to refer to a

question affecting the unimproved value. If a man takes up 200 acres he is in some districts rated on the unimproved value. A poor man can only fell, say, 20 acres of bush a year, and yet he is charged on money that was not productive, whereas a man with capital can fell the whole of the bush. This is practically a tax on the poor man. I think in the interests of the back-block settlers every man should have an eight-years limit on the unimproved value. I think he should not pay taxation on the unimproved value for eight years.

257. Would it meet the case if a man had the land for two or three years for nothing?—Yes, that would give him time to knock down a certain amount of bush and grass the land and make a living on it. I think the bush should be felled and the land grassed, and the amount capitalised at the rate of 5 per cent. before the settler goes on the land.

258. What would it take per acre?—About £3 per acre.

259. Then he would pay 3s. an acre rent?—Yes, but he would get a return from his land right away; but under the present system it is many years before he gets any return.

260. *Mr. Paul.*] Do you approve of the policy of buying large estates and settling them under the Land for Settlements Act?—Yes; I think the time has come when the large landowner has to make way for settlement. I think, however, that instead of buying up large estates it would be a good thing if the Government roaded and grassed land in the back blocks.

261. You think the money should be expended in the back blocks instead of buying up large estates? That would mean that these improved estates would increase in value, and a very much higher price would have to be paid for them when they were ultimately acquired?—I think there should be a fixed price on these acquired estates, and the Government should be able to take them over at the price so fixed.

262. If settlement in the back blocks were carried out under the conditions you have mentioned—felling the bush and grassing the land—would you in that case give the freehold?—Yes.

263. Would you give the freehold in the case of improved estates such as Cheviot?—I think they would be both on the same footing. I think the freehold is the more secure tenure.

264. Do you think the freehold would be the best tenure for Cheviot?—I do not see that it makes much difference so long as revaluation of existing leases does not come about. I would just as soon have a leasehold as a freehold if there was no revaluation. It is the insecurity of the tenure that people do not like.

265. Would you regard the leasehold with periodical revaluation an insecure tenure?—Yes.

266. For what reason?—Because you are practically taxing yourself on your own improvements. As you improve your section it is possible that the price of the land will go up.

267. Did you ever hear of land decreasing in value?—Yes.

268. Do you know whether there is a profit made by the Government on Cheviot at the present time?—Yes.

269. Do you know whether the settlers labour under any disabilities?—I do not think so.

270. Do you know whether the grazing-runs at Cheviot are satisfactory or not?—I think there should be a right of renewal at the end of twenty-one years.

271. You say there was some difficulty in the north in getting loans on leasehold properties?—Yes, there was delay.

272. Can a leaseholder borrow money on as favourable terms as the freeholder?—No; and even in the case of borrowing on improvements you cannot get as much on improvements on a leasehold as on improvements on a freehold.

273. Have you ever tried it?—I have tried it in the case of a leasehold.

274. Did you find a difficulty in getting money from the Advances to Settlers Department?—Yes, and I lost the fee that I had to pay.

275. Did you sell your Cheviot section to advantage?—No, I got the money back that I paid for it. I got it from another man.

276. Did you pay him any goodwill?—No.

277. Do you know of any Cheviot settlers who have sold out to advantage?—I believe there has been a boom during the last two years, but previously they got nothing to speak of.

278. Did you sell your land in the King-country to advantage?—Nothing special.

279. Are you looking for land now?—No.

280. In buying and selling these properties you have not lost money?—No.

281. Do you think that a man who is successful at a ballot, and sells his section should be debarred from participating in the ballot for a certain time in the future?—I do not think so.

282. Do you not think it is against the best interests of settlement to have a man going into every ballot?—No, not if he has sold his interest in his section to a man who is without land.

283. Have you had any experience of the ballot outside of the Cheviot section?—I have only been in one ballot. I bought my interest in Cheviot.

284. Do you think that every citizen in the community has a right to representation on the Land Board? Do you think that the landless should be represented?—No, not in this case. There would only be one-third elected by the Crown tenants and the rest by the Government.

285. You would not go so far as to say that there should not be a town member on the Land Board?—I would not go as far as that. The most able men, wherever they are or whatever they are, should be on the Board.

286. *Mr. Johnston.*] What sort of business have you been in?—Butchering.

287. You recommend that there should be district Boards for the advances to settlers?—Yes.

288. What is the object of that when a local man does the valuing?—I advocate that because of the delay that at present exists. District Boards would have a local knowledge of the land.

289. How long did you hold the section at Cheviot?—About five years.

290. What was the area ?—337 acres.
291. What did you pay to go in ?—£450.
292. What was the capital value ?—£6 an acre.
293. What were the improvements valued at ?—I valued them at £450 when I went in.
294. What did you sell for ?—£780.
295. Did you put the difference on in improvements ?—I did.
296. What is the number of the section ?—I could not tell you just at the moment.
297. Who is the present occupier ?—A. Wells.
298. Whereabouts in the King-country did you take up land after being at Cheviot ?—In the Ahura.
299. Is that a Government block ?—Yes.
300. Did you get the section you wanted at the ballot ?—No, I took up one that was left.
301. What was the area ?—1,000 acres.
302. What was the capital value ?—£1 per acre.
303. What improvements did you put on ?—I grassed 150 acres.
304. What did you sell out for ?—£300, but I also put other improvements on the land.
305. Did you erect a house ?—A whare.
306. How long were you on the section ?—About two years.
307. Was there any trouble over the transfer ?—No.
308. Were you butchering there at the time ?—No.
309. Do you not think the Cheviot Settlement has been a success ?—I do.
310. Do you believe in the freehold or the occupation with right of purchase ?—The occupation with right of purchase.
311. You think that the Cheviot settlers are satisfied with their tenure ?—They were until this question of revaluation came up.
312. Would you be surprised if you were told that more than half the settlers are satisfied with the tenure as at present ?—I admit that. They would not be with revaluation.
313. Do you not think it is a pretty large order to ask the Government to fell and grass a large block of land ?—Not a larger order than acquiring these improved estates.
314. Do you not think it is rather a difficult thing to see that the land is properly sown down ?—Not more so than making roads.
315. They would have to fence it ?—Not necessarily.
316. When would you put it on to the market ?—As soon as it was felled and sown.
317. What would you do with the grass in the meantime ?—I would not allow the grass to go to waste. I would allow a man to go on when the grass was there for him.
318. It would have to be fenced ?—There are hundreds of thousands of acres in grass that is not fenced, with stock running on it.
319. Did I understand you to say that you would give the tenant under the Land for Settlements Act the freehold ?—I think it would be the best tenure.
320. At the original valuation ?—I think so.
321. Would not that be giving the tenants on Cheviot a very valuable present ?—It is themselves who have brought the increased value about.
322. It was an improved property when they went there ?—They went up there and spent their lives in improving the estate.
323. Do you not think that much more capital and labour is put on to a bush section which is not visible than is the case in lands under the Land for Settlements Act ?—I do.
324. Do you think that the labour organizations threatening the repudiation of present leases without compensation is doing a great deal of harm ?—I do, more especially in the back blocks where men are trying to make a home.
325. You advocate that these large runs should be valued at their present value. Would not that be a foolish thing to do ? If a tenant of a large run knew he was to be taken over at £6 an acre at any time it suited the Government to take it over, would he not neglect the property and allow it to go to the bad ?—The improvements would have to be kept up to that valuation.
326. Do you think the grassing would be kept up ?—The amount in grass would have to be there when the place was taken over.
327. Have you had any experience of the Advances to Settlers Department ?—I applied for a loan some years ago and paid the guinea, but never got the loan. I think it is better now than it was then.
328. Do you approve of the double ballot as at present ; that is, the grouping and the two ballots ?—Grouping, to my mind, seems a bit ridiculous, because a man might get the section he does not want.
329. Do you think the straight-out ballot is better ?—I think so.
330. It has been suggested by a Commissioner of Crown Lands that applicants should be grouped according to their means. What do you say about that ?—I do not think I would agree to that, because one man can do so much better than another on the land.
331. Supposing there are sections that the landlords consider each applicant should have £300 of capital before going on with them : would you approve of the grouping of the whole of those sections in one and then balloting for them amongst the applicants who can fulfil the condition in regard to capital ?—No, I would not agree to that.
332. *Mr. McCutchan.*] Was the land that you took up in the King-country mixed land near Mungaroa ?—Yes.
333. Have you had considerable experience in working high country ?—Not till I went there.

334. You advocate the State felling and grassing rough country before putting settlers on?—Yes, and roading it.

335. Do you think that an experienced man with capital would submit to the conditions of the Government as to how the land was to be worked? Is it not a fact that men with experience prefer to do the work themselves?—It is all a matter of capital; men with capital do not go into the back blocks as a rule.

336. Have you known any men of experience and capital take up this back country?—Not where I live.

337. Is it not a case that men in that country find it necessary to fence before they grass?—There is a lot of delay in the country in getting fencing material.

338. Is that not where experience comes in?—It is not a question of experience but conditions that count in the back blocks.

339. Is it not a fact that the Government sectionise the country in areas to suit the capital of the various class of settlers prepared to take it up?—Does that not meet the requirement of settlers in regard to experience and conditions?—That means that men labour under great disabilities because of no capital or very little.

340. If the Government go to great expense as to grassing, they will have to do all the work, because in regard to this rough hilly country, unless adequately stocked in the first few months, the grass, as you know, runs out, and the land gets back into scrub?—I take it that the settler would stock the land right away, and fence it the same as he would in the case of an improved estate.

341. You think that practical men who know what they are doing will submit to the class of supervision which will take place if the Government do the work?—I would not fence the country; I would only grass it. The selector would fence it.

342. Do you think that practical settlers will take up that class of country without fences? They will not have sufficient time to crowd their stock on in the first twelve months, and unless they do that, the grass will go back?—I think the men will stock that country and work it the same as they would work a piece of land on an improved estate.

343. Was the block you were on loaded for roads?—Yes.

344. Was it spent?—A little was.

345. Was it adequate for the roading of that country?—No.

346. What is your opinion as to the stage roads should be brought to in connection with the settlement of this rough country before they are handed over to the local body?—I think all the money that the block has been loaded for roads should be spent before they are handed over.

347. Is it not the case that the Government spend large sums of money in addition to the loading on the blocks?—On the main roads.

348. Would you advocate the construction of the main roads before they are handed over to local bodies?—Yes.

349. How far should the by-roads be made?—They should make a road to every section.

350. A dray-road?—I think that would be best and most profitable to the selector.

351. Would it be fair to the State to do so much?—It would not make much difference to the State if the land was loaded for it.

352. You would load the land with the whole cost of the roads?—Not for main roads; that, I think, should come out of the consolidated revenue.

353. You spoke of the rating on unimproved value, and you mentioned that settlers were practically rated on the entire value of the land. Does not the Bush and Swamps Act overcome that difficulty?—That has only lately come into force.

354. So far as new blocks are concerned, that difficulty is overcome?—That is a splendid Act.

355. Do you think the settlers should be exempted from rates?—There is a misconception about that. I will give you a case. A neighbour and I had two sections and the back country was not taken up, but under the Bush and Swamps Act it was taken up. These people had the use of our road for four years without payment, and we who had been there from the first had to pay all the maintenance.

356. Do you think the Bush and Swamps Act should be amended in the direction of allowing exemption from rent, but still calling on them to pay rates?—I think that would be more fair to the settlers.

357. Did you have the option?—No, the Commissioner said the land was coal-bearing.

358. With regard to Land Board representation—the Land Boards represent certain interests in the colony. These interests are lands sold for cash to which no title is given until the final payments have been made, deferred payment, occupation with right of purchase, and lease in perpetuity lands. The deferred-payment and cash lands will be removed in a year or two from Land Board control; consequently, the only interests the Land Board is called upon to watch over are occupation with right of purchase and lease in perpetuity, purely tenants' interests and the interests of the State. There are five members of the Land Board, a Commissioner and four nominated members. Since the interests are wholly tenants' interests, do you think that one Crown tenant on the Board is adequate representation?—I should say there should be two chosen from the Crown tenants.

359. You think that the Crown tenants of the colony would be satisfied if the Government nominated two Crown tenants to watch their interests on the Land Board?—I do.

360. You think that would be fair representation?—Yes.

361. *Mr. Anstey.*] You say you have transferred your interests twice in lease-in-perpetuity sections: had you any difficulty in either case?—No.

362. Was there any difficulty when you bought?—No.

363. Do you know whether generally that is the case or not?—At first there was some difficulty in Cheviot, but lately there has been none.

364. What loading was placed on the block in the King-country?—I could not give you the exact amount.

365. You do not know whether it was spent or not then ?—I think it was loaded to make a 12 ft. road.

366. How much would it cost to make a 12 ft. road ?—Roughly speaking, £300 a mile.

367. How much voting per acre would it take to road a block with 12 ft. wide roads ?—I could not give you that.

368. *Mr. Paul.*] Are you in favour of giving any preference at the ballot under any circumstances ?—Only so far as to see if he has put more land on the market.

369. In your own case you have held two lease-in-perpetuity sections : you have competed, perhaps, against a man who has been in half a dozen ballots, and yet you are not on the land ?—A man has many reasons for leaving the land, just as he has for leaving the town.

370. I am not questioning the right of a man to leave his section ?—A man should have free right to leave his section if he finds it does not suit.

371. That is exactly what I want to get at : you think it is fair that a man should go in every ballot he is qualified to go in for, and sell if he likes after each ballot if he is successful ?—I do not think he should sell under five years. He would then have to stop there for five years, whether he liked it or not.

372. You object to the labour organization talking about revaluation ?—Yes.

373. That is, revaluation of present leases ?—Yes.

374. You do not think they should wish to break the agreement entered into between the Government and the tenant ?—I do not think they should advocate breaking it.

375. Do you think the tenant should advocate the breach or abolition of the contract ?—No.

376. Then you do not think the present tenants have a right to the freehold ?—I do if revaluation is brought about in any way. That is the only security they have for the land-tenure.

377. Unless the revaluation is made law you would be against giving the option of the freehold ?—Yes, the bargain must stand as it is. The man sees that there is an uncertainty now about the tenure, and so he must clamour for the freehold.

378. What is to prevent the labour organization, if it is strong enough to break existing bargains, from confiscating the freeholds ?—They would not have such a good show to get at the freehold as they have to get at the Crown tenants.

379. Why ?—Because the Crown tenant has not got the monetary aspect.

380. You think he would give up the leasehold more quickly than a freehold ?—Yes.

381. Do you not recognise that a lease is just as sacred as a freehold ?—No.

382. Then you must think that the labour people are justified in breaking something which is not so sacred as a freehold ?—I do not say that ; as far as the lease is concerned, I do not think it is so sacred as freehold.

383. Why ?—Because the lessee has not got the same interest.

384. But up to the amount of his interest it is just as sacred to him ?—It is to him. It would be more easy for the Government to break it than a freehold, because the Government have a hold over it.

385. They surely cannot overlook the tenant's right ?—I do not know about that.

386. Can you tell me whether the labour party, or any party, can do anything to seriously injure the country settler without injuring themselves ?—No, I do not say they can do that.

387. Can you tell me what object they would gain ?—Their object, I take it, is on account of taxation, to increase the taxation on land, and then have taxation taken off the Customs. That is their object.

388. Do you think it was wise to give a lease in perpetuity—that is, for 999 years ?—No ; I think they should give the option.

389. You would give a man whatever tenure he wanted ?—Yes.

390. *Mr. Anstey.*] Do you think the wisest way is for the settlers to have all their lands felled and grassed before they went into occupation ?—The man would make a living off it much more quickly then.

391. Would he be able to manage it ?—It all depends upon the size. I think if it were 50 or 100 acres he could stock it.

392. Do you not think he would require more stock on it for a short time ?—Yes.

393. Supposing you had a 200-acre farm, would it not be better to fell, say, 50 acres at a time, say each year, and break in that amount ?—I think it would be best to have 100 acres clear of forest, and then break in the rest gradually.

ALEXANDER REESE examined.

394. *The Chairman.*] I think you are a member of the Wellington Land Board ?—Yes ; I happen to have been in that position for eight years this last time.

395. You know the object we are met here for—to inquire into the land-tenures of the colony ?—Yes.

396. Have you any land yourself ?—I have a lease of 42 acres, Wellington Corporation endowment, adjoining the Borough of Pahiatua. I have had that just about twenty years.

397. *Mr. Johnston.*] Are you a settler ?—Yes. I am also a trained mechanic.

398. *The Chairman.*] What rent are you paying ?—10s. an acre.

399. No right of purchase ?—No compensation.

400. Full compensation for improvements ?—Yes, for visible improvements. The term of the lease is for twenty-one years.

401. Your time is nearly up ?—There are about eighteen months to run.

402. Is there any right of renewal?—There is a right of renewal. It is put up to auction at the end of the term, saddled with my improvements.

403. Do you not get the preference of taking it up?—No. I have a continued interest in it.

404. So far as relates to the improvements only?—Yes.

405. At present the Land Boards are nominated. Some people think they could be improved by being elected: what is your view of that matter?—I think the present system is all right. I do not know that it would be an improvement to elect a portion of it unless you could put all under the one franchise.

406. In the matter of tenure, what is your view of that? Which tenure do you think most likely to promote the settlement of the country, its advancement, and the welfare of the settlers?—The lease in perpetuity.

407. You think that the best?—I do.

408. Do you wish to make any remarks about it?—I may say I have taken the trouble to work it out very carefully, that is, taking the occupation with right of purchase and comparing it with the lease in perpetuity. I find the comparison is very much in favour of the lease in perpetuity. For instance, if you take two sections of equal quality of the price of £1 10s. an acre—say 200 acres—and you compute the value of money, say, at 6 per cent., I find that at the end of the tenth year, when the person who took up the right of purchase has the right to exercise the right of purchase, he has paid on the whole twenty instalments of £1 10s. in excess of the lease in perpetuity, which amounts at the end of the ten years to £30. If you compute it on a basis of 6 per cent. at compound interest, at the end of the tenth year it represents a sum of about £60. Now, the value of that investment at the end of the tenth year on a basis of 5 per cent. would be £3 a year, so at the end of the tenth year the man who has secured the right to purchase stands to lose £3 a year for the securing of that year. That is, over and above the actual cash payments the man would make on lease in perpetuity. Supposing at the end of that time he thinks it worth his while to purchase his Crown grant, if you assume his money is worth 6 per cent. to him, that is £18 a year. Now, the actual amount required to be paid by the lease-in-perpetuity man is £10 16s. per annum, or a difference of £7 4s. With the £3 he has lost already, he stands to lose £10 4s. a year. So it is easily seen from that—and this is from a careful handling of the thing—that the man who has the right of purchase is at a very great disadvantage as compared with a man who takes up the lease in perpetuity. He is further penalised to this extent: Taking an average section—I know hundreds of them in my neighbourhood—where the average increased value upon the unimproved value of the land would be £3 per acre. There are some where it has increased more than £10 in our neighbourhood, but £3 would be a fair average. The lease-in-perpetuity man and right-of-purchase man are then within the scope of the operation of the land-tax. Under the lease in perpetuity the original assessed value could never be assessed to the settler—as it belongs to the State. In this case it is £300. Taxation at the rate of 1d. in the pound on this amount would be £1 5s. a year less than if the man exercised the right of purchase. So that the man who has exercised the right of purchase is penalised to the extent of £1 5s. a year, added to the other disability of £10s. 4d. That makes £11 9s. That is altogether in excess of the amount the lease-in-perpetuity man has to pay in rent. So the lease-in-perpetuity man is £11 9s. better off per annum than the man with the right of purchase. Therefore, I say the lease in perpetuity is infinitely better for the settler than the freehold.

409. In regard to the pressure of residence conditions on the Crown tenants, have you any remarks to make?—I think that the regulations that govern the position at present should be so relaxed as to enable the Boards to say to the man who has no access to his section, who has no cleared road, that residence should not take place in his case. I think the Board should have that power.

410. They have that power now?—No.

411. Oh, yes?—The settlers are compelled to go and reside on the land where they have a track to it.

412. But under certain circumstances you can ameliorate the position by extending the time, and under some other circumstances you may dispense with residence altogether?—It is not so generally understood, and certainly it has not been so administered. It is not so understood among the settlers, neither has it been the custom of the Lands Department to administer it in that spirit generally. However, recently we have got away from the old condition of things, and have been able in some cases to exempt them altogether during the whole of the ten years. But these settlers say, why should they go to the Board and ask for a concession of that kind, which they say they should have as a right. It ought to be made clear that no man should be called on to reside on his section until he had a cleared road to his section to bring his produce out.

The Chairman read sections 141, 142, and 143 of the Land Act of 1892.

413. *The Chairman.*] You see that gives you great power?—It does not give the settler the right. I think the settler ought to have the right to say, "Until the road is made I ought not to be compelled to reside on my land," and I think it would relieve the position very much if that were done. The difficulty with a great number of settlers is this: they somehow or another have an impression that the Boards generally are not favourable to their interests, and consequently they do not like to go to them. I do not mean that there is anything in that view, but it is from their standpoint. I do not think there is anything to warrant it, but at the same time it exists, and therefore I say, without hesitation, no man should be compelled, where a road had not been cleared for him, to go into his section; and after that road had been cleared, I would say no man should be compelled to reside more than, say, in the case of a married man, four months in the year, and in the case of a single man not more than eight months in a year. The difficulty in the back blocks is this: the men very often find it convenient to go from their sections to take work on contract, or to earn money in other directions. They cannot do so at present without first consulting the Board, and that is an irksome circumstance that ought to be wiped out. I believe it could be got over in the manner I suggest.

414. Are there any other conditions you think should be relaxed for the settlers?—I cannot think of any just now.

415. As to the effects of climate, and so on, and the need for a consequent alteration of the Land laws?—I think the time has come to consider the need for circumscribing the actual amount of land they are allowed to take up. At present it is 640 acres of first-class land, and in addition 1,360 acres of second-class land. I think this is obviously too much. The Boards are put in this position, if a man holds 200 acres of first-class land which may be ample to give him a first-class living, yet if he gets the opportunity to purchase a neighbour out the Board has no right to say nay, although he may be aggregating a very fine estate. For that reason I suggest it would be an advantage if the Government were to say, "You will not be allowed to go beyond a certain area of something less than 640 acres": I should say 300 acres of first-class land and 700 acres of second-class land ought to be quite sufficient for any settler.

416. With regard to the homestead privileges, do you think there is any portion of the Wellington Province where the land is so poor or unfavourably situated that it would be wise a thing to re-enact those privileges?—I do not think so. I think whatever the value of land is the State should receive a certain rent from it.

417. What are your views on the question of the ballot system generally?—My view is that you cannot have a fairer system than the straight-out ballot, but in connection with the land for settlements, I think it is desirable that grouping should take place, that is, grouping of the values of the sections and the grouping of the experienced and willing farmers, so that no man should be allowed to go in for a section that he could not handle to advantage. On the other hand the Board should have the power to select them in such manner as to see that each section falls to the man who is equal to the occasion. And I think that can be obtained under the system of grouping which has been devised by Mr. Humphries, of Christchurch, and which was presented at the Conference of Land Boards held here in December last. I think he managed this in the best possible way, because it is possible for every man to get the section he really wants, and no man would be obliged to take the section he did not want.

418. Do you know anything about the practice of loading lands for roads?—I think that is a huge mistake, and it is one of the biggest bugbears that the bush settler has to contend with. The inference drawn from the system by the average settler is that the loading should suffice to make the roads, but it does not go one quarter of the way. Consequently, when that fund is expended, they have to fall back on the member for the district and fight him to get amounts put upon the estimates to finish the roads. That is a wrong system. I suggest a method. Nearly every local authority in our district—the Forty-mile Bush—has recourse to a method of raising loans on the hypothecation of their "thirds" under the leasehold, and under the freehold they have to include themselves in a special-rating area to raise the loans to complete the roads. In both cases these people penalise themselves for the benefit of every settler in New Zealand by completing the public works. I do not think that they should be penalised in that way. At the present time I know of cases in our own district where men who are paying about £6 a year land-tax are actually also paying local rates amounting to about £50. In that case the thing is out of proportion. We see the land-tax is gathered upon a uniform value, and that is fair. But why continue a system of rating for roads and bridges for the use of everybody, which penalises settlers in one part of the country to the tune of £50 per annum and allows settlers in other better-roaded districts to go free? Let the Government take over all the loans to local bodies and recoup themselves in some other way. The solution is to have recourse to the land-tax. Then every voter in New Zealand would have to contribute his quota towards the completion of these roads and bridges which are constructed for everybody's use.

419. Have you had any experience of the advances-to-settlers system?—Yes, I have had a number of complaints from time to time from settlers who wished to borrow. It is impossible for the Advances to Settlers Department to meet the requirements of everybody, but in the case where a man goes to borrow from that Department and he pays for a valuation, he should receive a copy of it. At present he does not know anything about the valuation of his property, and when it comes before the Board, if he is refused the amount required, they should either give him a copy of his valuation or return his fee. I know of cases where men have gone two or three times and have not got the amount they required, and have had to go to private sources.

420. Do you think the lease in perpetuity financially is very much more advantageous to the settler than the occupation with right of purchase?—I do.

421. The evidence we usually got on that point was the other way?—I think that used to obtain in our district, but I do not think it obtains now. I made it my business some time ago to go to one of the largest lending firms in our neighbourhood and ask them the value of the 999-years lease as a security. The principal said, "I reckon it is good enough. Moreover, if you have been paying attention to what has been going on at the Land Board recently, you will have seen that during the last two or three months my firm have put out something like £8,000 on the properties of the Crown tenants, and that was out of a sum of £12,000 we had to lend, and had I £20,000 more I would lend it quite freely on the 999-years lease, but I want to know first who the man is I am giving it to." I do not think there can be any doubt about the security of the 999-years lease.

422. There is fear that there may be some revaluation to interfere with that land?—No doubt that is so, and it would be a terrible shame if it should ever come about without due adjustment in the shape of compensation for the tenant's interest in the section.

423. And only then with their concurrence?—Just so.

424. Do you think there is a general prejudice against the Land Boards?—The prejudice which you have heard in this district is not warranted. I will give you a case in point. Seven years ago I had this impression on my mind, and the Board went to Mangaweka and one deputation waited on us who were singularly unfortunate in the respect that they had spent all their money in improving their sections,

and they had absolutely not a track into their land, and through having no track they had no chance of utilising it to advantage. They got practically stranded. They came to us in fear and trembling, and it is one of the best experiences the Board has had. These men went away delighted because they got a lot of information of a useful character concerning the hypothecation of their "thirds," which had been lying to the extent of thousands of pounds to the credit of the road, and had not been applied for by the local authority. These men knew nothing about these "thirds." When it was pointed out that the money had accumulated and therefore was available for the purpose of raising a loan to make a road they went away rejoicing, and they told us before going away that they thought we had come there specially to take their properties away from them. There is, however, here and there a few settlers who are still very sore with regard to the administration, but I am not aware of a single instance to justify their statements with regard to bad administration. Over and over again I have made inquiries and I have not been able to discover one case. There are here and there a few unfortunate circumstances over which we scarcely had any control, or where perhaps a mistake had been made.

425. *Mr. Paul.*] You lease an endowment?—I do.

426. Are the conditions of that lease satisfactory?—The conditions are that for the first seven years the rent was 4s. 6d. an acre; at the end of that term it was increased 50 per cent. to 6s. 9d.; then, at the end of fourteen years, it was increased 50 per cent. more; so that you will see that I began at 4s. 6d. an acre, and am now paying over 10s. My interest, although it does not actually terminate, still is very much jeopardized at the end of the first term, and I have no real claim on them excepting the improvements and the fact that I would have a voice in assessing the value of the land, so that in the event of anybody not outbidding me I would receive it back at perhaps a hundredfold value.

427. Do you want the right of renewal as well as valuation for improvements?—That is not satisfactory. I want a 999-years lease with the right of renewal.

428. You think that would be serving the purpose for which ten endowments were set apart?—No; obviously the endowment was set aside for the purposes of the citizens of Wellington.

429. You know that there are endowments for various purposes? Do you think it would be wise to lease all those endowments under the lease in perpetuity?—My idea is that there ought not to be any such thing as endowments for any special purposes. I think the land is too big a subject to deal with in a piecemeal fashion like that. It ought to be under one uniform system. I submit that the State should take over all public lands, and that endowments in cash should be given instead, and then that all the leases should be subject to a refund in the rent of, say, 4 or 5 per cent., as the case may be, on the then assessed value. Thereafter the increment on these leases should be subjected as the freehold is to the conditions of the land-tax, and that would suffice for all purposes.

430. Then you would lease them under the lease in perpetuity and apply a land-tax?—I would.

431. Would you apply the present land-tax to the lease in perpetuity?—I would, just as on the freehold.

432. What is the revenue of that tax per annum?—£350,000.

433. From the tax on lease in perpetuity?—I do not think that they pay land-tax on that yet.

434. Is that the tax you would place on endowments?—I would apply the tax to all leasehold lands—that is, upon the increment of leasehold lands, just the same as I would upon the freeholds. There are 14,000,000 acres of freehold, every acre of which is subject to the operations of the land-tax when the exemption of £500 is deducted. The same thing should apply to all leasehold lands in excess of the assessed value when it was taken up, so that the increment in both cases should be penalised in exactly the same ratio.

435. Do you think the exemption under the land-tax should be taken away?—To a large extent.

436. Do you not think that successful settlement could ensue in the case of a perpetual lease with periodical revaluations?—I do not think it is fair; but my answer to that question is that I have a comprehensive scheme, which, if carried out, would affect all land-owning people alike. If you continue your penalty of revaluation you rob the leaseholder through a charge on his increment while you leave it with the freeholder.

437. Could not a system of valuation be encouraged which would give the tenant a share in the increment while conserving something of it to the State?—I do not think so. Taking my own case, I apprehend that in eighteen months' time the property I now occupy will be reassessed at its marketable value, and I will be saddled with 5 per cent. on the assessed value as rent, or as much more as I like to pay, because the officials here will say, it is a fair thing to ask 5 per cent. on the assessed value and then put it into the market, and whoever likes to pay more would get it.

438. Do you know of a better system that could be inaugurated?—The one I suggest would be perfect.

439. Would the Land Board refuse permission for a settler to be away from his holding for four months in the year?—I think so; but it ought not to rest with the Land Board. I submit that the laws should be altered so that the settler would know that he was not compelled to reside continually until the roads were made.

440. Do you think that successful settlement would take place under those conditions?—I do.

441. Is not the success of a settlement due to the fact that the whole of the settlers are residents permanently on the land?—It is a most cruel thing to see such a condition of things as obtains occasionally, and which you have no doubt seen lately.

442. When I say permanent settlers, I mean after the roads are made?—As soon as the roads are made I would make it absolute. There should be no escape then.

443. Do you see any objection to giving the option of purchase to Crown tenants under the Land for Settlements Act?—I do. The objection is that if you give the right of purchase, aggregation necessarily will ensue. The land would run together again like grease in large areas.

444. Could you not avoid that by the land-tax?—Yes; but that will come very slowly.

445. Do you think that 200 acres would be a sufficient quantity, or do you think it would be better to group three sections together and have one family living on the six sections?—In many cases it would be a pity to lose two good settlers when good provision has been made for them on 200-acre blocks. I know a case—I saw the figures—where a man upon 75 acres of lease-in-perpetuity land, paying 13s. 9d. an acre rent, milked nineteen cows, had 27 acres in oats, and made £350 10s. in his first year. That was his gross turnover.

446. You know, from your own knowledge, there are many families on these improved estates making a good living on 200 acres?—I do, and on much less than that.

447. *Mr. Johnston.*] Are you a farmer by profession?—No, I am a carpenter. I am almost anything.

448. I mean are you farming for your living at present?—Yes.

449. On a small area?—Yes.

450. Did you hear Mr. McCardle give his evidence in Pahiatua?—I did.

451. Can you refute his accusations against the Land Board?—I did not know he made any specific charge at all.

452. He made serious charges?—He emphasized his views right enough, but they were not necessarily correct. I know he referred to a case, but he did not state it correctly. I refer to the case where he said a man was away on a contract and the Board cancelled his interest. I think that case is one of the most unfortunate you could imagine. The man was away and the Department communicated with him on several occasions, but got no answer, and finally they cancelled his interest. That happened about two years ago. I was ill at the time and not sitting on the Board, and the man came to me and told me the position. I took him to the Commissioner, Mr. Strauchon, and the Commissioner said he would give him what help he could. He said the section would be in the market in a short time, and the man could put in his application. The man said that would suit him all right, since nothing else could be done. The Commissioner said, "I will let you know when the section is to be gazetted so that you can put in your application." He did so, but the man was away again on a contract, and did not get his notice, and did not know that the section was in the market until it had been allotted to another person. The unfortunate part was that the person who got the section was prepared to give £220 for it. The improvements were worth £110, so that the man got it for £110, and the man who lost it was exceedingly sore about the matter. It was not through any fault of the Department, unless they made a mistake in regard to forfeiting in the first instance.

453. Take the case of Chapman: how long ago is that?—I suppose about three years ago.

454. Were the facts given by Mr. Johns correct?—They were wrong. He did not know that. There are certain phases of it that it would not do to go into. This particular section—after being saddled with the value of his improvements, £150—was in the market for perhaps six months. It was then reduced to £81 10s. It then remained in the market for another six or eight months, and was ultimately taken up.

455. The Land Board did its best for the widow?—Yes, we did our best. There was not the slightest chance of getting £150.

456. Will you tell us the reason why certain sections inland from Woodville were put in the market at £1 15s. an acre, and were subsequently reduced to 17s. 6d. an acre?—If you remember, about seven or eight years ago there was a great clamour got up for a Revaluation Bill amongst the settlers themselves in order to have their sections revalued, because they thought they were too high, and undoubtedly they were too high. There was a kind of Commission set up to revalue them. Before revaluation could take place the settlers had to surrender their interests. Some of them would not surrender because they thought they had a good thing. Others surrendered and had their places revalued and put on the market, and they were lucky enough to get them back again at the reduced rent. That Commission only sat for a limited period and could only deal with certain districts.

457. Were not the other tenants entitled to the same considerations?—They could have done as others did, but for reasons of their own they did not do so; but when they saw that other settlers had their rents reduced they felt hurt.

458. Do you not think it was a very hard thing for the settlers that their sections should be put up to public competition again?—I suppose it was considered to be the best way out of the difficulty.

459. You are a member of the Land Purchase Board?—Yes.

460. Do you not think it was absolutely absurd to put £1 15s. on that land?—I do, and I said so at the time.

461. Do you think that the cases of hardship quoted to the Commission at Pahiatua could be substantiated?—I do not think so, or else we would have had the cases in black and white long ago.

462. Why would you not substitute the 999-years lease for the present tenure of small grazing-runs if you consider the lease in perpetuity to be the best tenure for other land?—Many small grazing-runs are suitable for subdivision hereafter, and it would be a very unwise thing on the part of the State to grant a lease in perpetuity in such cases; but if the land was not suitable for subdivision I would give a 999-years lease. I think that every Crown tenant should have a 999-years lease.

463. Do you not think the 999-years lease is a perfectly absurd lease?—No, I think it is one of the most perfect leases ever invented.

464. Do you not think you might just as well give the freehold?—No; under the 999-years lease the State has a splendid thing.

465. Supposing the 999-years lease had been given in the case of the southern runs, what would have been the position to-day?—I say that all land that is suitable for subdivision hereafter ought not to have an eternal lease.

466. Do you not know that some of these runs are not bringing in anything like the rental to-day that they brought in, say, forty years ago?—That is so.

467. Do you not think these areas would have been better with revaluation?—Why should you take away from the Crown tenant his portion of the increment and leave it to his neighbour on the other side of the fence.

468. Is not the lease in perpetuity practically the same as the freehold?—No, there are advantages to the State in case of the lease in perpetuity that the freehold does not give.

469. Do you not think in the interests of the colony it would be better to revalue at certain periods?—There is a splendid remedy for both, and that is you have the right to tax.

470. The land-tax is on the freehold?—Yes, and it is also on the 999-years lease. The pastoral runs are exempt from it.

471. You are a firm believer in the 999-years lease?—I believe it is a splendid way out of the wilderness, and I believe in it because it makes uniformity of condition, and with uniformity of condition you can get equality of sacrifice and not otherwise.

472. Do you not think that non-residence would tend to dummyism?—No, you can stop anything like dummyism in connection with Crown tenants by making it conditional that residence shall not take place until there is road access given, and thereafter until the roads are formed and metalled the settlers shall only be compelled to reside from four to eight months respectively. I should not go so far as to say that a man should be allowed to employ another as a substitute for his improvements.

473. Then would you advocate storekeepers in the town or country taking up land and doing more improvements than the resident tenants?—I think, perhaps, their condition might be met in the way that has been suggested by setting blocks apart to be dealt with in that way, but as far as I can see, the trouble is this, how to meet the requirements of the *bona fide* man who wants to get on the land to earn his living.

474. Do you not think the *bona fide* settler who wants to live on the land is the man who should be considered first?—Certainly, and we have not sufficient land to meet his requirements.

475. In regard to classification of land, take land at Raetihi and land at Mangaweka and Hunterville; there is first-class land at those places. Would you consider that a man could make a good living out of 300 acres at Raetihi?—A man can make a good living at Raetihi on 200 acres.

476. I want you to take the case of land at those places being of equivalent quality?—A man with land at Hunterville who is nearer the market and has better facilities could do much better with a smaller area than a man holding land further away.

477. Do you not think that 640 acres in the broken country, say, at Mangaweka, is as small an area as a man can get a decent living from?—I have been informed by a man from the east coast who had a sheep-farm of 200 acres, and who made a handsome living from it, that he began with 100 acres and he has now got several thousand acres.

478. Do you think that the rates quoted by settlers giving evidence at Pahiatua—that is, rates paid to private companies for loans—were correct: 8 and 10 per cent.?—I know they are paying 8 per cent.

479. Do you know if they are paying any more?—I have known them to be asked as high as 12 per cent., and the Board would not allow such cases to go through.

480. Do you mean to tell me that the Rangitikei County Council did not know about the “thirds” that you have referred to?—If they did know they did not apply for them, and they were left lying to the credit of the settlers. I know of another district where £13,000 was lying to the credit of the local authorities, and they did not apply for it.

481. Can you give us any reasons why some of the settlers under this Board appear discontented?—About eight years ago there was a seat on the Board vacant, and three political aspirants were tugging at the Minister to get appointed, and it rather surprised them that he should have appointed me over their heads. One of them, by the way, was the member for the district, and for a considerable time after he was very sore about it.

482. Do you think that this agitation has been got up by some other bodies?—I do, but I do not think there is anything to warrant it.

483. In your opinion, has the agitation for the freehold been got up by the settlers themselves?—No.

484. Has it been got up by the Farmers' Union?—It is a fact as far as I know.

485. You think the Farmers' Union is a good deal to blame for this agitation?—Yes, I do.

486. Would you approve of education, harbour, and borough endowments being valued and capitalised by the Government, and bonds bearing interest equal to the present revenue being handed to the local bodies, and the land taken over by the Government and administered by the Land Board?—Yes, I think that would be a statesmanlike thing to do. It would help to put the land question on a more equitable basis.

487. *Mr. McCutchan.* In referring to the occupation-with-right-of-purchase lease and the lease in perpetuity, you made your comparison from a rental and taxation standpoint, but you just gave one side of the question?—I simply took the financial aspect of the question.

488. You did not take into consideration that the man with the occupation-with-right-of-purchase tenure would get a considerably larger amount for his interest than the man with the lease-in-perpetuity tenure?—No, because I think that is a fallacious opinion to hold. I know there are freeholders in New Zealand who would gladly accept the present value of their freeholds, and thereafter take up a 999-years lease at 4 per cent.

489. Is it not the case that the occupation with right of purchase is a more marketable commodity than the lease in perpetuity?—I cannot say that is so, because we have a large number of both tenures, and there is a very considerable amount of money in some of these leaseholds.

490. As to the nomination of members of Land Boards, are you prepared to lay down as a principle that representation should be as far as possible in proportion to the interests involved—to the interests of the tenant and of the State?—I do not know that the Crown would be justified in giving any special

representation at all. The tenant merely takes up the land subject to certain conditions. The tenant's interest is not greater than the interest that the general public have in the whole property; for that reason I submit that the Board should properly fulfil the requirements of the whole community, and not of any special section of it.

491. Are there any Crown tenants on the Wellington Land Board?—There are two.

492. Can you state the proportion which the Crown tenants' interests bear to the total value of the lands you are administering?—No, I could not give it.

493. Do you think the tenants have three times the interest the State has?—I should not say so.

494. So far as the representation being proportionate to the interests involved is concerned, that is fairly carried out in the Wellington district?—I think so.

495. Giving to the State the right of nomination, do you think that on the tenants' behalf it should be laid down that two of the four men should be Crown tenants?—No, I do not like special representation in that sense, because the whole of the colony is interested in the land, and therefore the fitness of the men should be considered, and that is a matter for those who have the appointment. In regard to the proposal for the election of Land Boards, I do not think any satisfactory franchise could be arrived at.

496. The matter of election of Boards has been exploded, but the question has been raised whether the representation should be proportionate to the interests involved under the nomination system?—I was appointed to the Land Board over twenty years ago, as the result of a public meeting of the settlers of the Ballance Association, and I was appointed at a time when Mr. McCardle was also a member of the Land Board, and for some years we were both members. That I do not think was quite right, because one would have been quite sufficient to have looked after the interests of that particular district.

497. Do you see any reason why lease-in-perpetuity tenants should be called upon to reside continuously for ten years whilst the occupation-with-right-of-purchase tenants only have to reside six years continuously?—None whatever.

498. Do you think the residence should be reduced to six years in the case of lease in perpetuity?—I would reduce them as I have suggested, and have no permanent residence until the roads are made.

499. With reference to the discretionary power which the Boards have to give exemption to residence, you would advocate the tenants' rights being more clearly defined?—Yes, so that they need not go to the Board at all.

500. You say the loading is the biggest bugbear the settler has to contend with?—Yes.

501. Throughout the North Island the same thing applies. Have you worked out any clearly defined scheme to place the roading system on a more satisfactory footing?—Yes, I suggest that the Government should take over the whole of the loans to local bodies, consolidate them, and recoup themselves by an increase in the land-tax over the whole colony.

502. That is what has been done in the past, and we have not got roads?—There should be no such thing as loading for the purpose of making roads in the back blocks. Settlers should pay 4 or 5 per cent. on the assessed value of the land when taken up, enjoy exemption from rents under the Bush and Swamp Lands Act, and thereafter all money for roads should be taken out of the consolidated revenue, and spent by the Government and not by the local authority. I am satisfied there would be better results.

503. You agree that every part of the State benefits by every road put in it?—Yes.

504. With reference to the £30,000 of accumulated "thirds," does your Board send schedules of the accumulated "thirds" periodically to the local bodies?—Yes, and to the particular selector whose "thirds" have accrued.

505. In some districts, there are large accumulations of "thirds" which have accrued owing to the Government retaining control of the roads for a number of years, and consequently there being no need for the settlers to spend their "thirds" until the Government expenditure ceased. Does that apply here?—Yes, and in some cases the Government has had to step in and spend the "thirds."

506. You are aware that legislation was passed last session to force the hands of local bodies in this respect?—Yes.

507. Do you think that the Advances to Settlers Department should supply applicants for loans with copies of the valuations placed on their improvements by the valuer?—I am not in a position to speak about that I have no doubt the Department have good reasons for not giving the valuation. I think, however, that they should hand back the valuation-fee in cases where the loan is not granted.

508. You are aware that the valuation-fee is a very trivial matter?—It is not a trivial matter to a man who is wanting to borrow.

509. A man applies for a £100, and the valuer may have to ride sixty miles and the fee is only 10s. 6d.?—It does not pay him at all.

510. Supposing a man who makes an application for a loan misrepresents his improvements, which may have deteriorated through neglect, and when the valuer goes there he finds that there is no security. Do you think from the State's standpoint that the valuation-fee should be returned to such a man making an application for a loan?—I do, seeing he does not get his loan. He has not even the satisfaction of looking at his valuation paper.

511. You made reference to occupation with right of purchase and lease in perpetuity, and referred to the fact of £8,000 having been lent by a private firm to Crown tenants. You did not differentiate between occupation with right of purchase and lease in perpetuity?—It was advanced on the lease in perpetuity within two months.

512. Was that recently?—In September and October of last year.

513. Did you get any information as to the extent of the advance in proportion to the improvements?—No, I was only querying as to the value of the lease as a security for advances.

514. Was goodwill taken into consideration?—The person I referred to was perfectly competent to appreciate a matter of that kind.

515. Do you think the aggregation of estates should be safeguarded against by straight-out legislation?—I do not think it is necessary.

516. Do you believe that that would be an interference with colonial interests, and would in any way upset matters?—It is not necessary.

517. Do you think the graduated land-tax would do it?—Unquestionably it will.

518. You are perfectly well aware that there is a certain amount of aggregation going on?—I am.

519. You would put on another turn of the graduated land-tax?—I would relieve settlers from the grievances of the present rating system. I think that many would be willing to pay a further land-tax, and so get rid of the penalty they pay under local rating.

520. You mean an entire freedom in the matter of local-government taxation?—Yes. I know of cases where men are paying local rating to six different rating areas, and where the land-tax is £6 and the local rating amounts to £50.

521. Where the interests of the lessee are seven or eight times the interest of the State, do you think the Minister should have discretionary power to interfere with the provisions of a will?—Certainly not; it is entirely a matter for the trustees to deal with.

522. You think there should be no interference in any way with the provisions of the will?—I understand that he has no control.

523. How about the clauses in the Act of last year?—I know that is the position in regard to one or two cases our Board has dealt with. As a matter of fact, we called the Public Trustee before us to give an account of his stewardship in connection with one of these matters.

524. The clauses of last year's Act are a dead-letter, then?—That is so. The real position has been misrepresented.

525. *Mr. Anstey.*] Is it not a fact that this clause referred to is only operative when the legator wishes to divide his estate?—Possibly that is so.

526. You said you wished to have the lease in perpetuity of the section you now hold?—Yes.

527. Do you think that would be quite fair for the trust for you to have the lease in perpetuity at the original value?—No.

528. How do you fix the rent under lease in perpetuity?—It would be done by arbitration.

529. You said you should have had it under lease in perpetuity when first you took it up?—No; I said I would have liked to have had the lease in perpetuity.

530. Are there not other lands in the same position as this? Do you think the tenant should have the land for all time at a low rent?—It would be better to do that than to sell for cash.

531. You oppose granting the right of purchase to lease in perpetuity—does that apply both to existing and future leases?—Yes.

532. What about occupation with right of purchase?—I think the State should stop selling land altogether, and that all land should be let under lease in perpetuity, except where it is necessary to deal with land which might subsequently be suitable for subdivision in which case I think it should be let under short-dated leases.

533. You would oppose this proposal for the revaluation of existing leases?—I think that is a cruel thing.

534. Would you apply your ideas with regard to the control of Crown lands to all public reserves? I would. I think the Government should take them over and recoup the trusts by a money grant.

535. We have heard that the lease in perpetuity is not a good tenure to borrow under. Do you know of anything in the conditions that might be removed? We have been told that the lender has no power to seize?—Except in the case of a village settlement, when a man becomes bankrupt the interest passes to the Official Assignee.

536. Does that apply to lands under the Land for Settlements Act?—I do not know that it does in that case, but it is so in regard to ordinary Crown lands.

537. They can be sold out without the consent of the Land Board?—No; but in the case of a bankrupt the interest would revert to the Assignee, who would deal with it.

538. It is necessary for a man to go bankrupt before the lender can recover?—That is a legal matter which I cannot possibly give an opinion upon.

539. Do you think a man should be able to lend as freely on a lease in perpetuity as on a freehold? I think it is wise to guard against men being ruined through want of knowledge.

540. Do you think a man's borrowing-powers under lease in perpetuity should remain restricted as at present?—Yes.

541. Would you apply the same to selling? We have had two or three witnesses who have told us that they could not sell out their lease in perpetuity?—I know of cases where the lease in perpetuity has been sold out, and the tenant has got as high as £17 an acre goodwill.

542. Are there many cases of settlers selling out at a premium?—A tremendous lot are selling out.

543. Can they sell as readily as if the land was freehold?—I could not say that, but there are a large number of sales at premiums.

544. Have any sales come under your notice where the amount that has passed has been less than the tenant's improvements?—I can only remember the case of Chapman's, and that was due entirely to circumstances.

545. Do you think it wise that the Bush and Swamp Lands Act should exempt settlers from rates when their neighbours have to pay rates all the time to make roads for them?—Yes.

546. Do you think that is fair to the others?—I have known a whole district to be penalised by the local authority for rates, and not a penny being spent on the roads.

547. Do you think it would be fair for the Government to take over and maintain out of consolidated revenue the whole of the main roads of the colony?—Yes.

548. Would you consider revaluation repudiation?—Yes.

549. Would it not be repudiation to take the onus of maintaining the roads in Taranaki from the people of Taranaki, and put it on to the people of Canterbury?—No. Why should the settlers of the back blocks make roads for the whole of the colony.

550. Is it not a fact that these particular settlers you speak of have acquired their lands at a few shillings per acre, and that the expenditure of their own money has increased the value of their land. Now that the land has increased in value you say that the cost should be taken off their shoulders and placed on the shoulders of others in the colony—is that fair?—Yes. These men have penalised themselves for eight or ten years for the purpose of raising loans for making roads which are for the use of the whole of the people of the colony.

551. Do other people use these roads?—Yes. Any person may use a public road.

552. Do you mean that loading should be done away with altogether?—Yes; that is what increased the cost of the lands in our neighbourhood to the settler. There was a loading of 7s. per acre.

553. Was that sufficient to make the roads?—No.

554. Would it not be more sensible to put on sufficient to make the roads and reduce the capital value?—No. The land should be put upon the market at a proper assessed value, and the roads be made out of the consolidated revenue.

555. With regard to workmen's homes, we had a good deal of complaint from settlers at Epuni, who seem to be troubled with too much land, which they have to leave idle. Do you think it would be wise when providing homes for workers to allow for only small areas, say, a quarter or an eighth of an acre?—Seeing that development has been so rapid at the Hutt, I think the Government should compensate everyone in the Epuni Settlement, and subdivide the land again.

556. Would you insist on exactly the same residence conditions to a man who purchased for cash as you would in regard to a man who takes up under a lease?—The man who purchases for cash is beyond control, and nothing can be done with him at all.

557. What is the gross income of the 200-acre sheep-farm you mentioned?—He worked it out for me and showed £136 a year.

559. He has to pay interest and everything out of that. What has he left out of the £136?—I think he took into consideration normal conditions. I gave abnormal conditions when I told you about the man paying six rates. He said he went out there twenty-five years ago, and started on a 200-acre section, and then he took the present price of sheep and his own gross returns. He now owns about 6,000 or 7,000 acres, and he took the profits on the estate, and said that people who have 200 acres of that land can make a really good living.

560. That comes to 8s. 1d. a day as gross income, and out of it has to be paid rent, and everything else?—He reckons he makes that clear of his rent. That would be £12 a year.

JOHN JACOBS examined.

561. *The Chairman.*] What are you?—I am a carrier and contractor living in the Epuni Hamlet. I have a holding of 1 acre 2 roods 14 perches.

562. What rent do you pay on it?—I pay £15 17s. 6d. per annum.

563. Have you been there long?—Eleven months I think.

564. Did you buy in from somebody else?—I got it from the Government, but I think the section had been taken up before.

565. It was one that had been forfeited?—It must have been.

566. How are you pleased with your section?—I have come to lay a grievance before the Commission, but I do not expect I can get redress of my grievance. I thought I should bring a few thoughts before the Commission which should perhaps open the eyes of other aspirants to workmen's homes. I took up the section and knew what I had got to pay, but I believe the system of working these homes is entirely wrong. It is too dear. The original rent for that section in June, 1901, was £4 10s. 3d.

567. Per annum?—No, half-yearly. On the 1st June, 1904, the rent for the same land was £7 18s. 9d. I do not see where this revaluation or penalisation ought to come in to the workman. The Government, if they have disbursed anything and want to recoup themselves for it, should have charged a certain sum, and not charged it at £4 or £5 an acre for a thousand years. I also believe successful workmen's homes can never be established on the areas we have there. They are too big for the man to make them pay. I have just made a small calculation as I sat here, and this is not what my rent would be for the land only, and I think it comes to very nearly £26 a year for the land, and I find I can do nothing with it—only build one house. I thought in giving my idea of it here some of these people who are always clamouring for workmen's homes might see the folly of going in for such large areas, and the danger of having the value rise on you in such a manner. There was nothing there when I went on the land. The section was there as it was after subdivision, and nothing at all had been done to it. I have done what there is myself, and still my rent has been risen twice. I am one of a group of five in the whole settlement. The others, I think, pay a rental on something like a valuation of £1,000 an acre, and we pay a rental of £200 an acre. I think there is something wrong in the working of the thing. We were told we should not be revalued, and in this case we are revalued at the option of will of those in power. We have no redress at all. I give you that suggestion for the benefit of those who may come after me.

568. You say it has been let at three different prices?—The first was £4 10s. 3d. half-yearly.

569. That is £9 0s. 6d. yearly?—That was the original rental. From the 1st June, 1901, until the 1st June, 1904, the difference has taken place. From what source we wonder.

570. It has been by the Land Board. They have the fixing of the prices?—Have they power to revalue?

571. Yes, they have. You have gone on the land at a time when the land has gone up immensely in value, and the Land Board have a right to take cognisance of what is going on. You thought it was worth your while and you have taken it up?—I did so, but it is not worth my while. It is too dear as a workman's home.

572. Are you using it as a workman's home? You are a carrier and I suppose are using it for your horses and stable?—Yes, but it does not alter the value.

573. Supposing the Epuni Hamlet had not been there at all, and you wanted a place in the same locality, could you have got the same area any cheaper from anybody else?—I would not have tried.

574. Would you have gone without?—Yes. I do not see I have any interest in that land at all, seeing it is valued at £317 now. That is the full value I think, and beyond the value if anything.

575. Have you any other point?—No, that is my main point.

576. *Mr. Paul.*] You have too much land?—Yes.

577. And you find the rates and rent come very hard on you?—Yes, they are too hard for the privilege of living on a piece of land.

578. Was this section vacant until you took it up?—Yes.

579. No previous occupier?—No one had lived upon it. I am one of those five in this settlement who are penalised in this way. There is one man, or there are two, who have 2 acres, and the rent is so high that they will have to forfeit. Section 104 is one.

580. What is the rent the holder has to pay now?—He pays £14 5s. half-yearly.

581. His rate is practically double what the original assessment was?—Yes.

582. Do you consider you are in a better position than the outside working-man who is under a private landowner?—Not at all. I consider my position there is a loss.

583. Supposing you had a quarter-acre only in the hamlet, would you be all right then?—Not under the Government. I would not take it.

584. What is the objection?—I would go in for a section in the Hutt Borough, and better myself a great deal.

585. Can you get a quarter-acre at a quarter of this rental for ground rent?—They told me some land had sold there at £400 an acre. I should not like to say I can get a quarter-acre at that rate, but, as a matter of fact, I do not believe such is the case. I do not think I could get a quarter-acre for a fourth of that amount.

586. Then you must be in a better position. It would have to be considerably less than a quarter of the amount to enable you to better your position?—My condition is bad now on this piece of land.

587. You are in the position of being a land-monopolist. You have got more land than you can profitably use and profitably employ labour to work?—Yes.

588. Then your position cannot be satisfactory?—Yes.

589. Then if you had a quarter of an acre, and the rent was correspondingly low, that would be an improvement?—Certainly it would be an improvement.

590. *Mr. Johnston.*] Have you put any improvements on it?—Yes, the Government valuation of my improvements is £270.

591. What did these cost you?—Rather more than £270.

592. You knew what you were doing when you took the land up?—Yes, at least I thought I did, but my position, as far as I find it to-day, is such that if any one will give me the amount of the Government valuation and 6 per cent., I am willing to give any workman who wants a workman's home the opportunity to take my place.

593. *Mr. Anstey.*] Do you think it would be a wise thing for the Government to resume that settlement? Nearly every one complains of the sections being too large altogether. Would you be satisfied to be secured in the value of your improvements and have the land cut up into smaller sections?—That is what I believe; that is the only remedy. The Epuni Hamlet is in the wrong place. It is planted in the middle of a valuable borough, and in a short time the land will be so dear that it is no use taking it up under the restrictions. You cannot realise a sufficient income on it except you put up another house on your section. The best thing I can see, if the Government is going to cut it up, is to resume the whole block and resurvey and reroad it.

594. What size do you think is suitable for workmen's homes?—Ordinary sections of a quarter of an acre.

595. Do you think it advisable to cut it up into a number of eighth, quarter, and half acre sections?—Yes.

596. Would that be satisfactory to all the settlers?—It is difficult to say.

597. Do you think it would be wise for the Government to resume possession if the majority wish it?—Yes, if the Government pay compensation I think it would be quite right.

598. You told us your rent was £15 17s. 6d. a year, and later on it was £26?—I pay actually £15 17s. 6d. to the Government. I have put £250 worth of improvements on the place, and I want my interest at 4 per cent. on that. That would amount to £10. I also, as a reasonable business-man, want a sinking fund on the house, for thirty years is a reasonable life for a house.

599. Do you mean that your home costs you £26 a year?—Yes.

600. Do you think you could get a home as good at 10s. a week in the town?—I would not try. I have laid out £250 of my own money.

601. But you are charging interest on that?—It is difficult to find £250 and find 10s. as well.

602. I ask, can you get a house and, say, a stand for your horses anywhere near town at anything like 10s. a week or £1 a week?—No, I do not think I can near the town. I would not try it, because I do not depend on the horses only for the present. I am looking at the thing at what it is worth,

WILLIAM LAWSON examined.

603. *The Chairman.*] What are you?—I am a settler in the Epuni Hamlet. I hold a 1-acre section I am paying £6 6s. 9d. a year, less 3s. rebate.

604. What is the section?—Section 81.

605. How long have you been there?—Four years.

606. Are you satisfied with your position?—Yes, I am thoroughly satisfied with it, and I believe that any one who weighs the evidence on both sides as to what they were before they went there and what they are now must admit that the bulk of them are infinitely better off now, and, as one of those who took round that paper on the leasehold-tenure, in respect to which there was some dispute as to the signature of several names, I may say that we made it clear to every one who put his name down that it had nothing to do with the freehold whatever, that it was leasehold pure and simple, and on any one asking us what the word “amendment” meant we stated it was some readjustment of the rates, because that is really the sore point with all of them.

607. You are in favour of the lease in perpetuity?—Yes.

608. You do not find an acre too much for you?—An acre is certainly not. I think there is about £2 of rates on mine; that is far cheaper than I could get anywhere else.

609. I suppose you are a tradesman—I mean a worker?—Yes, I work in town. I am a furnaceman. As to the profitable use of the land I consider that I shall be able to make a fair thing out of it by using it in its proper way: putting up a glass house, and things like that. At present I am very pleased with what I have got.

610. Do you consider you are in a better position than workmen outside the hamlet?—Oh, yes, I believe I am. I believe most of the people in that hamlet think so too.

611. Can you get a more reasonable house if you looked around outside the hamlet at the same rate?—Nothing approaching it.

612. *Mr. Anstey.*] Do you think these sections are of a suitable size? Would not much smaller areas suit some people?—I think that when a man finds his section too big for him to make a profitable use of it he should be able by application to the Land Board to have it subdivided, and I consider that the man who finds that he can work it at a profit and wishes to keep it should be able to retain his original contract.

613. You think he should be allowed to hand back one-half or three-fourths to the Board if it is too large for him now?—Yes.

614. Do you think two acres are too much for an ordinary working-man?—It depends upon what he does with it. If a man is going into town to work every day it is certainly too large.

615. Are you regularly at work as a furnaceman?—Yes.

616. Do you find time to work the acre?—I find time for all the garden material I require from it, and I am looking forward to getting a good deal of my income from that acre.

617. Your complaint is that you have the rates heavily raised on your holding?—No, it does not press so heavily on me with an acre section. The danger is in future years; it is accumulating all the time.

618. As the land becomes more valuable you will be getting it without any increase in the rent?—No, we are deprived of all increment above a certain extent because we cannot utilise it. I could not get more from my land in ten years than I do now. All the profit is what I can produce from it.

619. You said you hoped you would be able to produce a lot more from it?—I can if there is the capital to do it.

620. Do you think it advisable to subdivide these sections?—If I found my section too big to hold I think I should be allowed to cease holding part of it. I would like to make clear that point about the petition upon which I touched before. It has been stated that names were obtained to it by misrepresentation. That is altogether untrue as far as I was concerned, and, if it was thought necessary by the Commission, I could take you round to these men who signed to convince you that we did not misrepresent things to them.

WILLIAM HENRY WESTBROOK examined.

621. *The Chairman.*] You wish to give evidence?—I have been asked to make a statement on behalf of the Trades and Labour Council.

622. Are you in business?—I am a carriage-painter.

623. Are you residing in Wellington?—Yes; I have been here for fifteen years.

624. Do you possess any land?—I have a small freehold in the city about 30 ft. by 90 ft.

625. You represent the Trades and Labour Council, do you?—Yes.

626. We have had evidence from Mr. Hampton. Do you represent the same body as he does?—There were four of us appointed to give evidence. Mr. Hampton is president. I am simply a member of the body and was deputed to come here. I wish to make a statement in favour of the leasehold over the freehold. We believe that the tenure of land should be limited, both in area and in duration of holding. We believe that the Government has no right to hand over for all time land belonging to the nation. With regard to the difference in value of the leasehold and freehold tenures, I do not see that there is anything in the contention that is being brought forward by the leading journal in Wellington in favour of the freehold—that is the *Times*. They said the other morning they thought the main value of the freehold over the leasehold was its sentimental value. The sentimental value, it appears to me, does not appertain in the colony at all. The amount of business going through the Land Transfer Office proves that people are not attached to the soil. It is a simple matter: the advantage of the freehold over the leasehold is that it enables the man who owns the freehold to reap what he does not sow. As far as I can see the leasehold is quite equal for practical purposes to the freehold.

It is most men's ambition to own land of their own. It may be laudable, but no more laudable than their desire to own a balance at the bank, or any other means of providing sustenance in their old age. At any rate, if this ambition can only be satisfied at the expense of the community—the nation at large—I say it should not be encouraged. The land is limited in quantity, the population is unlimited. If we were to apportion the land equally among the population to-day, in the next generation there would be a large number of landless. Of course, agricultural chemistry and other sciences have helped us to some extent in this dilemma; the land we have to-day has been increased in productiveness very considerably, and it appears from lectures I have been reading that in the future a piece of land which is now supporting one person will then support four. That is an additional reason why the Government should keep hold of the tenure of the land, and why it should not be parted with for all time. The land, if it increases in capability in supporting human life, should be at least revalued, I think, every lifetime—every fifty years, say. So far as the Crown tenants—practically those who are members of the Farmers' Union—complaining of the insecurity of their tenure, I may remark there is no absolutely secure tenure of land. Parliament may pass an Act this session and repeal it the next. The very fact of these tenants agitating for the Government to alter a bargain they have made is weakening already the security they are grumbling about. At any rate, if the landowners or the Crown tenants of this colony succeed in compelling the Government to alter their bargain and grant them the freehold, in the near future, I believe, the landless ones will return men to Parliament who will repudiate this bargain in its turn and make one much more favourable to the people at large. I wish to refer to the early days of Canterbury in this connection, if it is not out of order of your reference. I was in Canterbury at the time of the abolition of the provinces and the first announcement of Sir Julius Vogel's public-works policy, and I saw there the rush for the spoil. I have known men to purchase land at the upset price of £2 an acre, and sell it within a few weeks afterwards at the rate of £5 an acre. In one case one man bought 2,000 acres at £2 an acre and sold it at £5 an acre, reaping a profit of £6,000. This money undoubtedly should have gone to the State. The effect of this was to make every man a land-gambler, and hundreds of small settlers were ruined by it. They mortgaged their small farms to the fullest possible margin, and when four or five bad years came they were simply in the hands of the money-lenders. This could not have occurred had the lands been leased instead of sold. Another reason why I think the Government should keep a hold on the land-tenure in the future is that the Premier has announced his intention of borrowing money in order to utilise our streams and waterfalls for electrical-power purposes. I notice also where the hardwood furniture comes from, particularly Pennsylvania, they have some of their factories in the heart of the bush, many miles away from any township, and there they manufacture the article by taking advantage of the raw material on the spot. In this colony, if we have the power of electricity, it would still be more advantageous to manufacturers in the bush. Therefore, all bush lands in the vicinity of these streams or waterfalls will be enhanced in value; but if the State sells the freehold of these lands the chances are that the speculator will get the advantage of the enhanced value and not the men who manufacture the chairs and tables. That is a powerful argument why the State should not sell any more Crown lands. With regard to the argument of the different positions of one man taking up the freehold and another the leasehold. On the one hand the first man expends his capital in purchasing the freehold, but the other, who takes up a leasehold, must have the advantage over the freeholder because he keeps his capital, and so is in the best position to improve his farm.

627. You referred to land speculation in Canterbury, and following up the lines of your argument, should not the Government also protect the people who take up railway shares and gold-mining shares?—No sir, because the Government do not own the gold-mining shares, but they do own the land.

628. But if you wanted to protect the people from losing their money, why not apply your argument also in those cases?—Because in the case of the land the Government hold it in their own hands and can do so in that case.

629. Have you had any experience of holding leasehold land?—Yes. Not farming land. I held a lease in Greymouth under the Maori Reserves Act. It was for twenty-one years with the right of renewal with revaluation, and at the conclusion the lease was put up to public auction and the purchaser compensated the lessee for his improvements. I found it very satisfactory, because it enabled me to go into a house of my own when I could not have done so under the freehold system.

630. Do you agree with the system of refusing the right of renewal and confiscating the improvements. We had evidence yesterday that some trusts are doing that?—No.

631. Do you think the tenants' improvements should be conserved to them?—As a labour man I think that every man who works should have what he earns. Whatever improvements he puts on the property he has an absolute right to have their worth.

632. To all the value he has created?—Yes.

633. What is your view of revaluation?—I think it is a fair thing. It is the only way of stopping the tenant from reaping that which he does not sow, from acquiring that unearned increment which comes with the expenditure of public money.

634. You would apply that principle to the present leases?—The Trades and Labour Council has advocated that the present 999-years lease should be revalued at the death of the tenant or at its transfer. I am here on behalf of the Trades and Labour Council, and I think that might be regarded as an answer to the agitation of the Crown tenants for the right of purchase of their leaseholds. This was never advocated by any Trades Council, as far as I am aware, until last year. The revaluation of Crown leases was advocated, but it was never intended to be retrospective until last year; but in answer to the agitation of the Crown tenants to get the Government to grant them the freehold, when they only bargained for leasehold, this resolution was passed at the last conference. I was not on the last conference.

635. You think this change of front by the labour party can be attributed to the agitation of the Farmers' Union and the Crown tenants for the freehold?—Entirely. The labour party advocate that

every man should get what he earns. I think it is right that his lease should be revalued, but that he should have the right to his improvements. Where a bargain is made is a matter I do not wish to express a personal opinion on.

636. You are quite positive that up to last year the position was that revaluation was to apply to future leases only?—I am quite positive that that was my understanding of it. I have been on many Trades and Labour Conferences, but I have never heard any labour man advocate retrospective action with regard to revaluation until this agitation started.

637. Are rents reasonable in Wellington?—They are unreasonable.

638. Can you say whether the cost of living increases out of all proportion to any increase in wages?—Yes.

639. You have heard the evidence of the Epuni Hamlet settlers?—Yes.

640. Is it generally understood that these men have an advantage over outside workers under private landlords?—Yes.

641. Do you think there is a demand amongst the workers for an extension of this poiley?—Yes.

642. Do you know of any suitable land for the purpose?—I know of plenty of suitable land, but I am not aware of its marketable value. It is a matter that requires consideration as to whether any land in the vicinity of Wellington would be low enough in value to cut up and place it under these conditions within reach of the working-man.

643. Is the present position this, that the Council think that land for closer settlement should be acquired at the owner's valuation for taxation purposes plus 10 per cent.?—Yes; I think that is generally recognised as fair.

644. That is the official position of the labour party?—I think so.

645. *Mr. Johnston.*] You say in the early days you were in Christchurch?—I was in Ashburton most of the time.

646. Did you ever know of individuals, commission agents and land agents, buying land at £2 an acre and selling it to the farmer at £4 an acre and only giving him the usual terms?—I could not point to a specific case, but I know it was a common practice there. I knew of two men twenty-five years ago, Turton Brothers—I do not suppose publicity matters now—who were for a long time carrying on the business of land-speculation. If a man had a few hundred pounds and wished to invest it in land, these men would select a piece for him; he would buy it and he would hold it until he could find some unfortunate farmer who wanted to take up land, and he would sell it then at double the price he had paid for it, and on easy terms.

647. Supposing a farmer had £100, which would be sufficient to give him a start, you mean they would buy the land for him at, say, £2, and let him have it for £4 on easy terms with a purchasing clause at the same price?—I could not say that, but I know of cases where it was a common practice for men to buy land at a speculative price and sell to the farmer on deferred payment at a very much advanced price.

648. Have you had any personal experience yourself in bush settlement?—I have not resided longer than a few weeks in the outlying parts.

649. Have you ever been in a place like Raetihi or Taihape during the middle of winter?—No.

650. How would you arrive at a valuation of your improvements in the case of a bush back-blocks section?—I am not a valuator, but it should not be a difficult task to ascertain how much a man has improved his section by his own labour.

651. Take the case of a farm of 200 acres in standing bush when a man took it up, and now it is turned over with the plough. How would you arrive at the cost of that improvement without knowing what the land was like previously?—I should not attempt to arrive at the cost without finding out what the land was like before. Then I would try and find out the cost of bringing about the change.

652. Do you know the Manawatu district at all?—Only from passing through it at different times.

653. To my personal knowledge, I might tell you that there is a large amount of capital and labour spent by a bush settler that is not visible to the eye at any time, and it is really hard to arrive at the value of the improvements thereby affected. I want to know whether the labour organizations would allow valuation for those unseen improvements?—Yes, if the improvements were real. As I said before, the labour agitation is to obtain fairness, and to provide that a man shall have what he has earned. If he has made an improvement on the estate that he shall get his share of it. I believe every labour organization in the colony would be willing to allow the settler the fullest benefit of his labour.

654. To the fullest possible extent?—Yes.

655. All you want to have is what you term the unearned increment?—That is so.

656. Did you hear Mr. Hampton's evidence yesterday?—No. The unearned increment is not all we wish to guard against. We wish to conserve the interests of the State in the future with regard to the subdivision of the land. The land may be able to support a greater number of people in the future than it can now.

657. Do you indorse what Mr. Hampton said?—Not without knowing what he said.

658. Do you represent a body of the Trades and Labour or are you giving evidence individually?—I was appointed by the Trades and Labour Council with four others to come here.

659. Would you advocate the cancellation of the present leases and their revaluation? Would you repudiate the present lease altogether without compensation as suggested by Mr. Hampton yesterday?—I can only refer you to the resolution passed by the Trades and Labour Council, which was that the lease in perpetuity should be revalued at the death of the present tenant or on its transfer.

660. You advocate that?—As a delegate from the Council I advocate that.

661. Do you advocate that as an individual?—I am not here to give expression to my views as an individual.

662. Do you think the bulk of the labour organizations would indorse this?—I must think so, seeing that it was passed at the last Trades and Labour Conference.

663. Then you practically take up the stand that Mr. Hampton took?—I do not know what stand he took on that question. If he advocated the revaluation of this long lease at the death of the tenant or at transfer of the lease, I support him.

664. Do you decidedly assert now that this repudiation would not have been passed by the Trades and Labour Council if the Farmers' Union and the Crown tenants had not agitated for the freehold?—Yes, I do not believe it would ever have been broached but for that agitation. I never heard it mentioned in any labour conference. The same resolution has been passed at the annual conference for six or seven years, viz., that there should be no further sale of Crown lands, and that there should be revaluation of all Crown lands; but, as far as I know in my conversations with other labour men, it was never intended to apply retrospectively until this last conference.

665. And it would not have been proposed to make it retrospective but for this agitation which has been generally got up?—I say No. The Crown tenants have established a precedent.

666. You will not state decidedly that it was not meant to be retrospective?—I could not state that. I do not know what may or many not occur in the future. I have never heard of it before, but I place the two circumstances together, and I conclude that it is a result of the agitation of the Crown tenants.

667. Do you think the Crown tenants were the first to start this agitation?—Yes.

668. Do you approve of the members of the Epuni Hamlet Settlement being granted the freehold?—No. My opinion is that those people want the freehold in order to sell the land. They could not make any more out of it if they had the freehold, except subdividing or selling it. I am inclined to think the Government have erred on the side of giving too much land in the case of those sections.

669. Do you think the settlement has been in the best interests of the working-classes by helping them to obtain homes?—Yes.

670. *Mr. McCutchan.*] Was your conference of Trades and Labour Unions in Wellington held in camera?—No.

671. Was the Press admitted?—Usually, but I do not know whether the Press was admitted to the last conference.

672. Does it occur to you as being strange that a conference of delegates did not state in the resolution what was the justification for this agitation on the part of the Crown tenants for the freehold?—No; the resolutions are all bald statements of fact; they give no reasons at all.

673. Are you a member of that conference?—Not of the last conference.

674. Do you read the Press reports?—Certainly.

675. On the discussion which took place, do you see any account of this resolution having been carried on account of the agitation of the Crown tenants for the freehold?—I do not distinctly remember anything of the kind.

676. Can you understand why it was that the delegates from the Trades and Labour Councils of Dunedin, Christchurch, Auckland, and here, until you have spoken yourself, made no such plea as justification?—No, I cannot understand it.

677. Does it appear to you to be an extraordinary fact?—No.

678. Are you prepared to say that it was not an afterthought?—I am.

679. Are you prepared to say that it was not an afterthought on the part of the Union you represent?—Certainly, I am. I come here entirely without instructions. I am a representative, not a delegate.

680. You think that this matter was discussed at the time the resolution was passed at the conference?—Probably, but I could not say.

681. Are you aware if the matter of the Crown tenants obtaining the right of purchase of the freehold was fairly discussed before that resolution was carried?—I think we talked the matter over in all probability; I know it has been talked of amongst our labour men from time to time.

682. Is it not a strange thing that the Press made no reference to the matter?—Are you quite sure they did not?

683. I speak from memory, but I do not remember seeing any accounts of it in the newspapers?—Memory sometimes is defective, and it by no means follows that because the Press did not report the statement it did not occur. The Press reports were very curt. There was a conference of the Political Labour League, a conference of the Trades and Labour Council, and something else on at the same time, and the Press reports were very meagre.

684. *Mr. Anstey.*] Would you give us your own personal opinion with regard to this question of the revaluation of the lease?—Certainly not while I am giving evidence for the Council.

685. Well, we would like you to give it now?—I shall be glad to when I have finished speaking on behalf of the Council.

686. But you told Mr. McCutchan that you are a delegate?—No, I am the representative, and I should be disloyal to the Council if I gave evidence in any other way.

687. But cease to be a delegate for a moment and become a personality, so that I can ask you one question?—I do not call myself a delegate, but a representative on this question.

688. Will you give me your personal opinion as to the justice of the revaluation of existing leases?—I think it would be absolutely just.

689. Then do you think it is just to break an agreement entered into between the tenant and the State?—I am not advocating it as a question of policy, but I think it is just. If a person makes a grossly unfair bargain it can be taken into a Court of equity, and that bargain would be upset. The State has made a very unfair bargain with the tenants when it entered into the lease for 999 years—practically giving the land to the tenants for twenty-two generations. Therefore, I say it is an unfair bargain, and the Crown is justified in revaluing the land at the end of the present lessee's right or on transference.

690. Do you think it is just to repudiate the bargain in a case of the lease in perpetuity, and that it is also just to repudiate the bargain in the case of the freehold?—That is a matter of policy, and I feel a great deal of hesitation in answering that question.

691. Would it be wise to do so if it were expedient?—Most certainly.

692. Do you think it would be wise if it were expedient to do so in the one case and also to do so in the other?—I see no difference.

693. Then the security of the freeholder is not greater than that of the holder of the lease in perpetuity?—No. Parliament may pass an Act this session and it may repeal it next session.

694. Do you think it would be just for the State to revalue lease in perpetuity at death?—The tenant has entered into a bargain with the State which confers certain rights upon himself and his heirs. That tenant, we will say, has a wife who has assisted him in establishing his home, and immediately he dies is his property to be submitted to revaluation and his rent raised? Is that just?—Not in the way you have put it. It is perfectly just that the unimproved value of the land should be revalued. The tenant will get compensation for his improvements.

695. And you would select the time when the husband dies to revalue the property?—That might happen.

696. Still do you think it would be an unfortunate time to revalue the land and deprive the widow or heirs of the goodwill?—I think it would be better to have one upset, and have done with the difficulty.

697. *Mr. Johnston.*] We will assume this—and it frequently happens: That a man has bought a lease in perpetuity for which he has given £300 for improvements and £200 as goodwill, making £500. He has paid that to the man to go out, and he goes into this property and takes possession of it, and farms it. Shortly afterwards, owing to an accident he is killed, would you revalue that property for the widow and children, and include the goodwill he paid and the £200?—No, I would not; he has bought something that does not belong to the man who has sold it.

698. We will say that a young man takes up a property expecting to work it and making a living for his wife and children, and is she to be deprived of the £200 owing to the accidental death of her husband?—It is an unfortunate case, but I do not see any help for it.

699. Can you account for the fact that Mr. Hampton in his evidence never suggested anything in the way you have just done now regarding Crown tenants and the Farmers' Union?—No, I cannot account for it.

700. He was a delegate to the conference?—Yes.

701. Do you not think it is more than likely that if your statement is correct he would have made some allusion to it?—Probably he did not think of it.

702. *Mr. Paul.*] Is it a fact that the labour party helped to bring in the closer-settlement policy carried out by the present Government?—Yes.

703. Did they approve of giving compensation for freehold land taken for the purpose of closer settlement?—Yes, I suppose they did.

704. And do they not approve now of taking freehold land under the terms you have outlined, namely, at the owner's valuation for taxation purposes plus 10 per cent.?—Yes.

705. Do you not think if they want any variation in the leasehold title it would be fair to give compensation for that variation?—Yes; but it does not end there. I have given my own private opinion, but I believe the labour party would be willing to give compensation.

706. Compensation for any alteration in the present leasehold tenure?—Yes.

707. Do you not think it would be a better policy and more equitable to do such a thing?—Yes, perhaps it would be a better policy.

ROBERT FREEMAN HALL examined.

708. *The Chairman.*] What are you?—I am a gardener, and hold 3 acres in the Epuni Hamlet, and my rent is £28 10s. It was a forfeited section. I have been there about eighteen months.

709. Are you satisfied with your holding?—I think the leasehold is a very good start for a working-man, in fact, it is the only start I can see that a poor working-man has got; but I think there ought to be some better security of tenure. I cannot, however, suggest in what way that should be brought about.

710. How do you feel insecure?—I think it would be a good thing if tenants were able to pay off a certain portion of the capital value and so reduce the rent. The main thing is to reduce the rent. The rent and rates are very large, especially in the case of some of the forfeited sections. We would like the freehold, but I do not see that there is any possible chance of getting it.

711. If you had the right to acquire the freehold, could you buy your place?—No; it took me all my time to make a start, but I would like the opportunity of buying it. My principal reason of coming here is in reference to the increase in the rent. It is the common talk of the hamlet the great increase in our rent. In the course of two years and a half, from when the land was first put in the market, it has increased about double. I may state that I have worked under great hardships since I took up my land. I put in a crop of potatoes, and they were destroyed, in the first place through the water-course being blocked below our sections, and then the blight ruined the later crop, and now my cabbages and cauliflowers are not worth bagging. I may state that I have been going out and doing two days' work a week in gardening, but everything else has been a failure. I thought that if I could get a good season I might put up a glass house and make my section pay, but, as I have said, everything has been a failure. I applied to the Advances to Settlers Department for a loan to give me a start for another season. I might point out, also, that my neighbour pays £5 and I have to pay £9 10s. for the same class of land.

712. *Mr. Johnston.*] Have you approached the Land Board and asked for a reduction of rent?—I have explained everything to the Board. It was in a bad state owing to couch-grass when I took it up, but it is practically clear now. The Land Board said they could do nothing for me unless I forfeited the section, in which case it would have to be put on the market again, and I would have to take my chance of applying for it.

713. What do you estimate your improvements at?—£140 for buildings and £10 for live fences, and a 3 chain cross-fence.

714. *Mr. Anstey.*] Are any of these sections at Epuni unoccupied?—Yes, five sections were taken up recently, and those sections have been idle for some time.

715. Why has the rent been increased in your case?—I do not know.

716. Did you think the rent was too high when you took it up?—Yes, but I thought if I had a good season and could put up a glass house I could make it pay. I think that if the sections were cut up into smaller holdings perhaps the land could be worked to better advantage.

717. Would not the wisest course be for the Government to cut up some of the sections into smaller areas, and leave some of them to remain at a fair size?—Perhaps that would be better.

T. O'BRIEN examined.

718. *The Chairman.*] What are you?—I am a labourer, residing at Kai Iwi, near Wanganui, and I have lived there about eight months.

719. What do you specially want to bring before the Commission?—I desire to refer to several matters set out in the order of reference of the Commission. First, respecting the constitution of Land Boards, seeing that those Boards are purely administrative, I think if they are to be altered and if the members are to be elected, it should be on the parliamentary franchise. I say the Boards are not faulty, but if they should be faulty it is merely a question of administration. In regard to land-tenure, I think we should have one tenure, and that is the lease in perpetuity. As to the pressure of residence conditions on Crown tenants, I think when a man takes up land and pays his rent, there should be no restriction at all. In regard to the ballot, I think that a better system would be this: that applicants should state what class of land they would like, and that the ballot should be exhausted, and the applicants should be allotted sections of the class of land for which they apply. I would not like to see the ballot system altered in favour of either the tender or auction systems. I favour the systems that is generally adopted in the United States. I think that loading lands for roads is wrong. Land in cities is not loaded specially for roads, and I do not see why land should be so loaded in the back blocks. We are told that the leaseholder is frightened of revaluation, but we have revaluation now, pure and simple, in the Act which provides for the periodical revaluation of lands for land-tax purposes. I do not believe that the value of the Crown tenants' land is the true value at all. It has been caused by cheap money. It has been said that the value of land has risen because of the price of products, and that the price of the products has made the prosperity of the colony. To show that that is not so, I say that in the ten years 1894–1904 the exports increased by 61 per cent., whilst in the same time the imports increased 95 per cent. It is the imports that has given the elasticity to values all through the country. Another proof that the present land-values is fictitious is to be found in the fact that one dry season puts our dairy-farmers in debt. When the land valuer goes along he does not value land at its worth in regard to labour, but he takes the price that land is letting at and assesses accordingly. I do not think the Advances to Settlers Department is being worked honestly. The lawyers of Taranaki are borrowing money from the Advances to Settlers Department at 5 per cent., with a $\frac{1}{2}$ per cent. rebate, and are letting it out again at 8 per cent. That is common knowledge in Taranaki, and Mr. Symes, the member for Patea, declared it on the public platform at Waitotara. I went to the Land Transfer Office and searched the deeds, and I found that Mr. Alpen, a solicitor in Hawera, had borrowed £950 at 5 per cent., giving as security Allotments 38 and 39, part of Allotment 34, Section 12, Borough of Hawera, containing 1 rood 9·9 perches. He borrowed the money in August, 1903. I have tried to get the true value of this security to show the margin between what he drew and what he was entitled to draw, and I have worked it out and I found that he was entitled to £10 more than he got with the addition of another section, part 37, which the Department could not separate, and £10 does not make up the difference in the value of the security by reason of having this added section. This man has really borrowed up to the full limit which was in force at that time. They accepted every improvement, and they will not do that with regard to the country settler. One can only come to the opinion that there is favouritism. The Commission has had evidence before it from Southland that the tenants there applied for money and could not get it until Sir Joseph Ward interceded for them. I know also for a fact that the Maoris have borrowed money through the Advances to Settlers Department, and are spending it on *tohungas*. An inquiry into the matter has been held by the Department in Wellington, and the Commission can get the information regarding it without trouble. I do not think that tenure has much to do with the success of settlement. Hawke's Bay and Wairarapa are the most successful sheep districts in New Zealand, but at the same time there is more Native land held there than anywhere else, and the lessees have no claim to even a staple in the fences when the leases have expired. The greatest drawback to the country settler is the Customs tariff, and I think if the Government would open a store in the back blocks and supply goods to the settlers there duty free it would be much better than giving any rebate. I do not think that the lease-in-perpetuity tenants have broken their lease by accepting the rebate of rent. That rebate was given under statute, and if it is held to be an abrogation of the lease, all a private lessor would have to do would be to give a discount of 5s. when his tenant was paying in order to break that lease. In regard to the settlement on improved estates, I would like to point out that by taking over these estates we have lost £100,000 in land-tax. I think the land is valued too highly, and that a reduction in the rents will have to be given very soon. The proper way to break up big estates is to extend the late Mr. Ballance's land-tax as a progressive land-tax without exemptions. With regard to the aggregation of estates, I think that the figures are misleading, and that many estates have only been cut up in name. By that I mean that many sections have only been nominally sold, and until the whole of the purchase money has been made there is no transfer of the fee-simple.

720. *Mr. Paul.*] Has not the money-lord anything to do with the prosperity of Taranaki?—Certainly.

721. Have you any opinion as to the value of leaseholds, whether they are increasing or decreasing?—The general opinion of the country is that they have increased, but I do not think that they have increased really.

722. Do you believe in lease in perpetuity without revaluation as a future system of settling the land?—I believe in lease in perpetuity, and we should not increase the tenant's rent. If his land has fallen in value he should get a decrease in rent.

723. That would be revaluation?—Yes, but I would bring him under the land-tax and never let the land-tax go above 4 per cent. of the unimproved value.

724. You would not interfere with the present contract at all?—Only in the incidence of taxation.

725. What is the position of private tenants in Taranaki?—Worse than the tenants in Ireland a lot of them are.

726. Do you think they are better off than the Crown tenants?—I do not.

727. Do you know of any six-months leases in Taranaki?—No, but a man who is milking on shares is only equal to a man with a six-months lease in Denmark.

728. *Mr. Johnston.*] What is your occupation?—I am a labourer.

729. What personal experience have you had on the land?—I nearly wore my soul out on land under deferred payment before I was fifteen. That was in Brighton and Buller Creek.

730. Do you belong to any labour organization?—No, I resigned from the labour party two or three weeks ago because I could not agree with their revaluation policy.

731. *Mr. Anstey.*] Have you had any dealings with the Land Board?—No.

732. Have you had any experience of their dealings with settlers?—No.

733. Do you know any Ranger?—No, not personally.

GEORGE GROVES BURDAN examined.

734. *The Chairman.*] What are you?—I am a farmer and hold 100 acres of freehold at Wainuiomata, twenty-four miles from Wellington. I bought that land three months ago, but I have worked on the same farm from boyhood. My four brothers and myself each hold a section of land there.

735. Is there any particular matter you wish to bring before the Commission?—I may state I am chairman of the Wainuiomata Branch of the Farmers' Union, and practically all the members of our branch wished me to represent them before the Commission. There are twenty-six members of our branch. We held a meeting at which there were thirteen members present, and I have also spoken to other members privately. They wished me to appear before the Commission and speak in favour of the freehold on their behalf. They are all in favour of the freehold—they are all freeholders themselves. I may state that I engage principally in dairying on my farm, but I have also two thousand sheep on the place. I have had very little to do with the Land Board. As far as I understand the present constitution of Land Boards is fairly satisfactory. I have no objection to the leasehold system, but I think that a lease with the right of purchase would be more satisfactory than it would be without it. I do not see why the two systems should not go hand-in-hand. We are practically all in favour of the present land-tenures with probably some minor alterations. I think in the case of the rougher country if the Crown tenants had the right of purchase they would be more satisfied. I consider that a freeholder has really more stake in the country than a leaseholder, and he will improve his land to a greater extent than the leaseholder will because it is more to his benefit to do so.

736. Is there such a thing as an aggregation of large estates in your district?—There is one large estate there. I consider that it is wrong for any one individual to hold a very large area of land when it can be more profitably occupied in moderate-sized holdings. I consider that 640 acres of first-class land and 2,000 acres of second-class land is sufficient for any one person to hold. I understand that the large estate I refer to in my district has an area of about 6,000 acres. It is partly good land and partly inferior.

737. *Mr. Anstey.*] Do you think that all Crown tenants ought to have the right of purchase?—If a Crown tenant wishes to have the right of purchase I do not see why he should not have it.

738. Do you think that he would farm his land better if he had the right of purchase?—Yes.

739. Do you think it would be in the best interests of the colony if he had the freehold?—Yes. I may add that personally if I could not get a freehold I would not remain in the colony.

740. You think that every tenant ought to have the right of acquiring the freehold?—Yes.

741. Upon what terms—at the original value?—No, I do not think so.

JOHN WARD examined.

742. *The Chairman.*] What are you?—I am a farmer holding 300 acres—100 acres of private leasehold and 200 acres of freehold. My farm is at Waiwetu, Lower Hutt. The land is of poor quality. I have been there for eighteen years on the leasehold and for six years on the freehold.

743. Is there any particular matter you wish to bring before the Commission?—I desire to protest against the unfair system of the Land Valuation Department in valuing the leaseholders' interests as against the owners' interests. Some time ago I had a long correspondence with the Tax Department with respect to my valuation. They valued our interests in the seven-years lease at £1,840 on the unimproved value—that is the valuation of the unimproved portion of the lease. The capital value is £7,000, and they say that our interest in the lease is £1,840 of that amount. It practically runs to £252 a year. My rent is £150 a year. The Department cannot show me how they arrive at that valuation. I might add that seven years ago we paid £10, and this year it is £110, including the Government taxes, and I might mention that the whole of the rates for loan works would not amount to £20 out of that sum. My place is within the borough. The general rate was 2½d. in the pound on the capital value, and the special rate for loans was ¾d. That is the total rateable value.

744. Is there nothing for charitable aid ?—That comes out of the general funds.

745. And it comes to £110 a year ?—With the £7 15s., and there is something for land-tax also.

746. Will you pay on the freehold besides ?—Yes, I am not including that. It is only the leasehold I am speaking of.

747. *Mr. Johnston.*] What are the rates on the freehold—double the leasehold ?—No, it is further away and of less value. It is not so heavily rated. The rates on the other are about £36, or something like that.

748. Are you rated on the £9,000 of capital value ?—Yes.

749. Are you paying that rate, or is the lessee paying it ?—The lessee has to pay all rates. I am the lessee.

750. I mean the lessor ?—The lessor pays nothing. It is the custom that the tenant pays the rates.

751. What was the valuation ?—The valuation before this year was £3,600, or something like that, and this year they raise it to £11,000-odd. But we got a reduction of over £50 an acre when we appealed to the Assessment Court. Then the Government said they would take the land at £100 an acre unless the owner agreed to pay that value.

752. What is your lease ?—Six years from the 20th of this month.

753. Who is the owner ?—Mr. P. J. Nathan, of Messrs. Nathan and Co., of Wellington.

754. What do you do with the land ?—I have a milk-round at Petone. We supply the settlers at Petone.

755. Do you sell your milk profitably ?—Yes. I might say, to put the matter in a short way, that owing to this system of rating it practically means that out of three brothers of us one of us works solely for the purpose of paying the rates. I have heard one gentleman here say that a man should not be taxed on his labour : what do you call this ?

756. *Mr. Johnston.*] Can you give us any more light ?—I can give you no more light.

757. When was the borough formed ?—Twelve or fourteen years ago ; we were in the county before that.

758. Who owned the land before it was sold to Mr. Nathan ?—It belonged to Heath's estate. It was originally taken up from the New Zealand Company at the foundation of the colony.

759. Then it really means that you are paying now three times the amount of rates ?—Yes.

760. Your rental is £150 ?—Yes, and the rates are £110.

761. *The Chairman.*] You pay £2 12s. an acre altogether ? What number of cows do you carry on the land ?—Thirty cows. It simply means that had we not been thrifty and saved money we would have had to go off the land.

762. *Mr. Johnston.*] It is a warning to the tenants of private landlords ?—The Government tenants will be practically in the same position in time.

763. *The Chairman.*] You are quite close to the Eponi Settlement ?—No ; our land adjoins the racecourse. In looking at the racecourse you look straight across at our buildings.

764. You are in a tight place ?—I am the worst of all. The Government say we ought to have seen the land boom coming. The Government did not see it for six years after our lease was signed. They passed an Act in 1903 that forced this system of rating on us. Before there was no system of apportioning the tenant's improvements on the unimproved value. He would be a curious man who could see six years beforehand what Parliament was going to pass.

765. *Mr. Johnston.*] Could you not have bought that freehold ?—No. Possibly I might, but it was sold before it was really put in the market. We had made inquiries about it before, but we were told there was no chance for us. Mr. Thomas Mason was the agent. What makes the thing more unfair is this : I laid it before the Assessment Court and asked the agents what compensation they would allow if we surrendered the lease. They said they would allow us nothing—we could go off without any compensation, although the Government say we have an interest of £1,800 in it. I think that is within your jurisdiction. The August Bros. only own half the ground we do, and their rates are £97, I think, and it is practically similar ground to ours.

766. What causes these heavy rents ?—It is because they have sent up the values.

767. *Mr. McCutchan.*] The explanation is this, is it not : that when you took up your lease you took it up for farming-purposes, and this was its farming value ?—Yes.

768. And it has since reached a very high value for building-purposes ?—There has not been any demand for building-sections. It is simply because a land-boom comes in and buildings have gone up in the middle of our district.

769. The instructions issued to the valuers is to give the selling-value ? It is not the selling-value to you, but only the value for us ?—Yes. The Government say it is our fault for leasing land of a boom-value, that we ought to have seen it coming.

770. *Mr. Johnston.*] There is no possible chance of a town in your part of the land unless it is made on the racecourse : there are two rivers to cross to get to it ?—No, only one.

771. *Mr. Anstey.*] Is your interest in the selling-value ?—It is included in the selling-value.

772. Have you no right of interest in the value ?—No ; that is where I and the Government can arrive at no satisfactory conclusion. They say we have an interest of £1,800 in the selling-value ; the owners say we have no interest whatever. We are between two fires and we cannot sell, but we can give it up. If we throw up the lease we throw up our business, and would have to start afresh somewhere else. That is not fair.

773. If there is a selling-value of £1,800 in it you ought to be able to sell it, otherwise it is not a selling-value ?—That is what we contend.

774. *Mr. Johnston.*] We had a *Post* sent to us with the correspondence on this subject.

775. *The Chairman.*] I have never seen it ?—The *Evening Post* charged me for sending copies to the Land Commission when it was sitting down south.

776. *Mr. Johnston.*] I got the *Post*, but I did not know what it was for: it was not marked?—They sent one to every member of this Land Commission. I asked them to do so.

777. *Mr. Anstey.*] Was not this case mentioned in Parliament last session?—Yes; we got Mr. Wilford to mention it, but we got no satisfaction. The Hon. Mr. Mills wrote, in answer to my correspondence. Here are two copies. You will gather from that what he contended, and there is my answer to it. [Papers put in.] The correspondence fills seven columns of the *Post*.

778. What is the amount of the road rate previous to taking this lease: you say it is 2½d. now?—Before that it was rated on the rental value, and consequently it was simply so much in the pound. Roughly speaking it would be 1s. 3d. or 1s. 4d. on the annual value.

779. Now they are rating on the unimproved capital value?—Yes; it is owing to the land-boom that has come on, and we are taxed on that value for local rates.

780. *The Chairman.*] That is where the heavy burden comes in?—Yes. The farmer who signed a lease before this taxation came into force should not pay anything above a fair valuation. I might explain that up to the last valuation the value was not so bad. We took it at £1,700. Then it rose to £2,600, and in the course of the next ten years it only rose to £3,000, and remained at that until the last valuation twelve months ago, when it was put up to £11,000-odd, and we got it reduced to £9,600.

781. *Mr. Paul.*] Has the land adjoining increased in the same ratio?—Speaking roughly, yes.

782. *Mr. Johnston.*] What is the racecourse valued at?—I could not say exactly, but I think about £4,000. I am a member of the Borough Council.

783. *The Chairman.*] Is this enormous increase all through the Council?—I am only a member since the last election, but I might say that a former Council borrowed money, and during the last year they applied for a loan, and they used as a threat the statement that if they did not get the loan they would have to increase the rates enormously. Well, practically speaking, they got the loan and they left the rates at the same amount on the capital value. Before that they increased the rates on us to three times the amount. That is the way they get at it. Our last rate was £35 for this place, and then they increased that 250 per cent. for two or three years before that. Last year they raised it to £103, and then the land-tax on this valuation runs it up to £110 3s. and something.

784. Really you excite the sympathy of myself and brother Commissioners here, but we are powerless to assist you. But your evidence is taken down and it will appear in our record. Still, we can do nothing in the matter?—You cannot put in a recommendation?

785. It is out of our province as being altogether private, and it would be overstepping our bounds to make any recommendation about it. But we have heard it and it will be on record so far as our reports are concerned. You will have to do the best you can. You are in the Council yourself?—I have only one voice. I might say, with regard to my opinion about the leasehold, that I consider the freehold is the best tenure. I do not say, speaking as I have considered the matter, that the lease in perpetuity is a fair system of tenure—not in the long run. Of course, if you have no revaluation, when the man over the fence is paying £10 in rates the man with the lease in perpetuity is only paying £1. There is another way of looking at it; that in the event of land-values going up anywhere near it it does not seem fair that a man can escape with £5 an acre simply because he has been lucky enough to get hold of a Government leasehold, while the man over the fence is taxed ten times that value.

786. The value of the lease goes up with the value of his land?—Then the tenant will soon be taxed out of it the same as we are. Some of those who have come from the Epuni Hamlet to-day can see already how it is going to affect them. It must do so near the centres of population.

787. It is inevitable. In your case the valuation has been jumped up quite unreasonably?—All land in the Hutt Borough has a certain value put on it as building-sites, and it simply means that it is done twenty years before it can be built on, which I contend is an unfair system of valuing land.

788. But the fact is, the land for the last year or two does bring an enormous value there?—Yes.

789. *Mr. Paul.*] Would it not be possible to tax the freeholder out of it as well as the leaseholder?—In that case it is nothing less than confiscation.

790. Yes, but for local taxation?—In either case it is nothing but confiscation. Supposing we bought property for £5,000 at present, then you would begin to tax us out of the place to force us to sell. That is, practically, you would be robbing us of that £5,000 we paid for the property.

791. I am not speaking of taxing you out of it. You mentioned the case of the Epuni settlers. If they owned the freehold would they not be in the same position, the rents would go up?—No; not in the same position, because they cannot sell.

792. There is a difference of opinion whether they can sell?—I will point to one case of hardship in the Epuni Hamlet. It is the case of a widow, Mrs. Evenson, whose late husband took up land there a couple of years ago. They sank all their money on it in buildings, and they borrowed from the Advances to Settlers Office to put up a good substantial house. Soon afterwards the husband died. The widow practically has to go to Petone for work to enable her to bring her children up. She has had plenty of offers for her property, but only a certain amount down. She finds out that, supposing she went out on these terms, she would have no remedy if the people to whom she sold did not pay her. She would have no recourse at law against them.

793. Do you know the Epuni Settlement?—Yes.

794. Are the sections too large?—By all means, while the taxation is going up.

795. *Mr. Johnston.*] The fact of the matter is that you think the Epuni Settlement should be cut up into sections of a quarter-acre or an eighth of an acre instead of the area into which it was cut up?—Yes.

796. Whoever expected then that the Hutt Valley was going to rise in value at the pace it did? The Government did the best they could for the settlement?—No doubt.

797. If they had foreseen the rush for land and cut it into greater areas the rush would have been greater than it is?—Yes.

798. Well, they are putting the land up now equal to residential sites instead of valuing it as farming-land?—Yes.

799. What it was intended for was to enable the settlers to make a living out of the land. It has increased already to such an extent that some of it would not enable anybody to hire labour to make a living out of it. The Government bought this land with the intention of encouraging working-men to go on the land. They found there was a great increase in value, and when some of these sections were forfeited they put up the valuation. Has this widow you speak of approached the Land Board to allow her to sell?—Yes.

800. Would they not allow her to sell?—Yes; but if she took a portion of the money down she had no remedy supposing the purchaser did not pay the rest. I maintain there should be some remedy for meeting cases of this sort.

ROBERT HOGG examined.

801. *The Chairman.*] What are you?—I am a reader on the *New Zealand Times*.

802. How long have you been in that position?—Two years.

803. Do you hold any land?—5 acres on lease in perpetuity in the Paparangi Settlement, and 144 acres of a private lease with the right of purchase in Shannon; it is one of Mr. Waring Taylor's sections.

804. Have you any knowledge respecting the Land Boards? Which constitution do you think is the best for the Board?—Being an administrative body, I believe in the Land Board being elected on an adult franchise. I have no knowledge of the working of the Land Boards in this colony.

805. What is your opinion regarding the land-tenures?—I think the lease in perpetuity is far better for me than the freehold. Land near my section is selling for about £400 an acre, and that means that I am getting an advantage over the rest of the community in being able to hold my 5 acres at a capital value of £150 for the 5 acres; that is what I pay rent on—4 per cent. on the capital value of £150. I think we should look at this question not from the personal aspect, but from the point of view as to how it will affect the whole community. Personally, I would stick to the terms of my lease, but as a member of the community, I believe in revaluation. At the present stage of capitalistic development in New Zealand I do not object to the freehold. Mr. W. H. Hampton, giving evidence here yesterday, expressed, according to the morning paper, the socialistic idea on this question; but as a socialist, I wish to say the view he expressed is not the socialist position. The socialist has no objection at present to the man who is holding the land having the freehold, but he does object to a man holding land and not working it. He thinks that a Fair Rent Court should fix the rent of all land, including private leasehold, at a fair percentage on the rateable value, and also that there should be a purchasing-clause based on same value, under which the occupier should have the right of purchase. This would mean that every tenant would secure the freehold during tenancy by borrowing the purchasing-money from the Advances to Settlers Office.

806. Then you believe in what is called the occupation with right of purchase?—Yes, with the restriction that I must work the land. I hold that no man should hold land simply to draw rent out of it. I would make the principles I advocate apply to all the land in the colony, and only the State should draw the rent. Regarding the raising of loans, it is absurd to say that a man with the lease in perpetuity cannot borrow to the same advantage as the man with the freehold. The lease-in-perpetuity tenant can borrow as advantageously as the freeholder. Only some few months ago, I managed to secure the full amount for a young man who wished to buy out a lease-in-perpetuity settler. I secured it at 7 per cent. in this town from a private lawyer.

807. Had it been freehold you would have got it for 6 per cent.?—I know that many freeholders are paying 8 per cent.

808. Was this mortgage got on the security of the lease which was purchased?—Yes, the mortgage was sent to the Land Board and they endorsed it.

809. Is it an improved property?—Slightly improved; a two-roomed house is on the section and a small garden. Five years ago I was offered a farm at Awahuri, in Manawatu, at £20 an acre. On the other side of the road, Mr. Whittle, who gave evidence before you at Palmerston North or Feilding, paid at the rate of £25 an acre for a lease-in-perpetuity section. He bought a Government settler out. It is one of the sections on the Saunders Estate.

810. Were there many improvements on the section?—No, there was two-roomed house and an open lean-to cowshed. On the section I was offered at £20 an acre there was a good house, two houses in fact, and a splendid covered-in cowshed with, I think, twenty bails; it was Mr. Bennet's place. Further up, in the same direction, there is a lease-in-perpetuity section held by Mr. Johnston; his place is rented at 14s. 6d. per acre, while over the river from him is a section not so good, and subject to damage when the river is in flood, belonging, I think, to the same Mr. Saunders from whom the lease-in-perpetuity land in this district was purchased, but one year after these lease-in-perpetuity sections were taken up, when I was after that place, he wanted £1 an acre without any improvements. These figures show how the rents drawn by private individuals compare with the rent that the State draws for lands of similar value.

811. There has been a boom since then, and the State could not buy the land now at the same price?—I do not think so, but if the value has gone up, why should it not be rated proportionately. I believe in revaluation although I am a lease-in-perpetuity settler.

812. What are your views on the question of the pressure of residence conditions on Crown tenants?—I consider that you cannot pay in money the man who goes back into the bush and hews out a home for himself in the wilderness. Anything you can do to lighten his load by the making of roads ought to be done, and his rent should be made as light as possible. I think the residence conditions should be relaxed according to circumstances. I would also point out that the hardship these people endure

is brought about by the past action of the State in allowing all the land adjacent to the cities to fall into private hands, thus compelling these men to go back into the bush, in many cases single-handed. The right way would have been to have settled your lands adjacent to the towns, for the State to fell the bush, and not to have sent men out to burn good timber, but to put mills there owned by the State, to cut down the timber, to put it through the sawmill, and then to grass and let the land on rental, the State drawing the rent.

813. Would you apply your system to the back blocks now?—I should steadily work on in that direction even now, and I would not ask a man to reside on the land or to pay rent for it until the roads were through, and the land reproductive,

814. What is your opinion as to the effect of climate on land-configuration?—I do not know that that enters much into the question; and let me here say, that what may be a solution of this land question to-day, may be of little use a few years hence, for as it is a biological fact that no living thing can exist unless it adapts itself to its environment, the same law applies to any Act you may pass. It will have to be altered some day to suit the circumstances of the times.

815. Do you know anything about the homestead privileges?—I do not think there is any land in New Zealand which is so worthless that you should give it away for nothing. It may not be valuable now from an agricultural point of view, but that is not the only value land has.

816. *Mr. Johnston.*] You say there is no land in New Zealand fit to give away?—I do.

817. You take a trip up the north of Auckland. It would not feed a rabbit?—A gentleman down south said his leasehold would not feed a dead duck, but he wanted the freehold all the same.

818. *The Chairman.*] As to loading lands for roads?—I am against that system; it is an injustice. The roads should be made by the whole community, for whose benefit they are constructed. The unearned increment I have no right to; I only created it as a member of the community, and it is unfair and unjust to the rest of the community to give it to me or for me to take it, although the law allows me to do so.

819. Why do you take it?—What I would do under the present system is different from what I believe is right and just.

820. What rent are you paying for your 5 acres?—£6.

821. Do you think you are not paying enough?—As long as the State is willing to take it I shall be willing to give it, but it gives me a great advantage over my fellows in the towns who are paying heavy rents and high prices for the necessaries of life.

822. Have you had any dealings with the Advances to Settlers Department?—I have a loan of £100, and it is the cheapest way of getting money with the exception of an overdraft from the bank. Everybody has not a banking-account, and so cannot get an overdraft. I have had no trouble in having my wants attended to.

823. Do you believe the area of land a man can hold should be limited?—As I said before, at the present stage of capitalistic development in New Zealand, I do not believe in the limitation of estates at all. The impression has gone abroad that the socialists do, but I do not. You cannot limit the estates for the reason that you have to adapt yourself to your environment. The farmer in New Zealand has to compete in the world's markets with scientific farming carried on on large estates in America and the Argentine, the produce of which is sent to the London market, which is also our market. Therefore, the New Zealand farmer will have to adopt the same means to compete with them, and to put his produce on the London market as cheaply as they can. I have no objection to large estates provided they are worked by those who own them, and worked to the advantage of the general community. The time may come when the State itself may have to work these estates on a large scale in order to enable this country to compete in the world's markets with the countries I have named.

824. *Mr. Paul.*] Do you believe that the lease in perpetuity is a reasonable tenure?—Exceedingly reasonable for the man who is in it, but not for the man who is out of it.

825. Would you say it is a sensible tenure from the State's point of view?—No, it is a most senseless tenure.

826. Do you believe in revaluation?—Decidedly.

827. Do you support the view of Mr. Hampton that the present leases should be revalued?—I believe in revaluation being concurrent with that for rating-purposes.

828. You would interfere with existing contracts?—What is a contract? Since I entered into a contract with the State under the lease in perpetuity the conditions have altered—the value has altered; but the increased value does not belong to me, and I ought to be made to pay the extra value. I do not think anything else would be equity.

829. Do you believe the freeholder should be compensated when we take his land for closer settlement?—I do not believe in compensation at all. I heard Mr. Ward talk about “confiscation”; I have another word for it: I call it “restitution.” We are living in a democratic State, and whatever the State decides becomes the constitutional principle, and the law of the land, and therefore cannot be called confiscation.

830. Do you believe the State should pay compensation to the freeholder when they take his land for closer settlement?—No, they should buy it at the rateable value only.

831. In the case of the taking of land for closer settlement, then, you believe the State should buy it?—I believe in taking the path of least resistance, and if the majority decide to buy it I should do so rather than go without. I myself should prefer to tax them out—but I am a democrat.

832. You would fall in with the majority?—Decidedly.

833. Then, in the case of the leasehold, why would you take the community-created value and not give the unit of the community something for it?—He would get his share as a unit of the community—that is all he is entitled to.

834. Do you recognise that you are a unit of the community, that you have certain influence in the community, and that you are advocating what you believe in as a unit in the community?—I do; but I also believe that no man should have the power to take what does not belong to him, and the community-created value does not belong to him, excepting so far as he is a unit of the community.

835. But how do you get out of the illogical position that in the case of the freeholder you buy the community-created value, while in the case of the leaseholder you propose to confiscate it?—Because the present state of the law compels you to do so. If the majority say you should alter the law, do so. I have already said I should buy out estates at the rateable value. The unearned increment can be secured by land-tax increased from time to time.

836. Would you allow a man to hold land and work it by day labour?—No, unless he was working it himself, while paying for assistance.

837. Is that what you are in favour of as a freeholder?—Yes. He must work it himself, and hold no more land than what he can manage to use.

838. But one man may have the capacity to manage 100,000 acres and would have to employ labour to do so?—Yes!

839. Would you be against that?—Not under a competitive system.

840. Do you think that is in the interests of the community?—I do not think the competitive system is in the interests of the community, and under such a system a man would not hold 100,000 acres unless he could make it pay; but if he were holding it against the interests of the community you have the remedy in the land-tax—increase your land-tax.

841. Leaving the competitive system out, do you think it is in the interests of the community to allow one man to hold 100,000 acres?—I do not believe it is.

842. Do you think the policy of closer settlement has been in the best interests of the community?—I believe it has been so far.

843. You believe that roads should be constructed out of the consolidated revenue?—I do.

844. Would you be agreeable to the Government making roads out of the consolidated revenue and then selling the land to private owners?—To private workers on the land.

845. *Mr. Johnston.*] Supposing a man was a cripple and could not work on the land, what would you do with him?—We could find much lighter work than farming for our cripples. I was crippled on my farm (right arm broken), that is why I had to leave it.

846. What did you do with it?—I have put a man on to work it.

847. Do you not think that a scandalous thing to do?—Decidedly not.

848. I thought you did not approve of it?—I do not approve of it, but the system under which we live compels me to do so.

849. Do you believe in honesty?—I do, absolute honesty.

850. Would you give the back-block settler the freehold?—I think I said that in the case of the man who went out in the back blocks and hewed out a home for himself you could not compensate him in money.

851. You think it would be a good policy for the Government to fell the bush?—Yes.

852. Would you approve of fencing it also?—Yes; I believe you could do it co-operatively much cheaper and easier than individually, and with less hardship to the workers.

853. Do you think it would pay the country to carry out the work that way?—I think it would.

854. Provided you could get the stock for the land, would you be in favour of putting stock on it also?—I think the stock would come along all right. One reason which has induced me to offer the suggestion with regard to the felling of the bush by the State is that a gentleman who is well known to you told me not many months ago that he had got so-many acres up the Wanganui River for the sake of the bush on a twenty-one-years lease. He was going to put a sawmill into it and cut it down. He was to pay so-much an acre, and also a royalty on the timber. He agreed to pay down the money within three months. But four weeks after he took the lease he got the offer of £1,000 on his bargain. You see what the State is losing there.

WELLINGTON, FRIDAY, 16TH JUNE, 1905.

JAMES GLENNIE WILSON examined.

1. *The Chairman.*] What are you?—I am a farmer residing at Bulls, and I farm about 4,000 acres of freehold. I have been in the colony since 1873. I am colonial president of the Farmers' Union.

2. We would be glad to hear from you, Mr. Wilson, your opinions regarding the various matters in our order of reference, but particularly we would like to have information from you regarding the grassing of the pastoral areas of the country, and also the keeping of these pastoral areas up to their standard of fertility?—You are aware, of course, that I had no intention of coming forward as a witness, and I only come now in response to a summons from the secretary. Therefore, if I am asked any questions, I must simply answer to the best of my ability, without having brought forward any statement. At the time the matter of giving evidence on behalf of the union was discussed at our meeting, the various branches were requested to put evidence before the Commission. The opinion of the Farmers' Union is laid down in our platform, and I can add nothing to it so far as tenure is concerned. Of course, one naturally reads the evidence that has been given, and one sees the various views that have been expressed, but it seems to me that the ethical point of view has been somewhat overlooked. The desire of all of us, no doubt, is to improve humanity, and to raise up the standard. The desire of people who wish to see the nation go forward, is to give the people such a tenure as will produce the greatest quantity from the land. We want to make the people happy, contented, and prosperous, and we want to turn out the largest quantity of produce that it is possible to do. It is obvious, it seems

to me, that if you do not have security of tenure, a man will not put forth his best efforts of production. If he fears something in the future, which will take from him a portion of his earnings, or he suspects that it will do so, he will not put forth that effort of production which is in the interests of himself and the country. In Scotland, where the system was twenty-one-year leases, it was found that towards the end of the term the tenant began to exhaust the fertility of the land, and not to put manure into it. So it is here. If you give the man the leasehold, he is only human, and it is human nature to look after his own interests, and at the end of the term, or if revaluation took place, he will allow the farm to run to waste, so that he will be able to show the valuers when they come round that the farm is not a productive one. That is a thing which it is exceedingly dangerous to encourage, and I think the leasehold tenure or revaluation would do that. Therefore, I think that the greatest benefit to the greatest number is best assured by giving to the producers of the country that tenure which will cause them to put forward the greatest effort of production.

3. What you say with regard to Scotland would not apply here under the lease in perpetuity?—No; but so far as my information is concerned, what has caused this great fear and unrest on the part of the tenants is that they are constantly seeing in the newspapers agitation for a revaluation, and also that they see every session a Fair Rent Bill brought before Parliament. Had it not been for those two causes, the unrest would not have been present. I may add that the tenure in Scotland has now been altered, and gives them the right of unexhausted tenures, which has counteracted the evil considerably.

4. I suppose in the matter of tenures you favour the freehold?—Personally, yes. What the Farmers' Union asks for is that every tenant should be enabled to have the option of purchase if he desires it. If it suits him to hold lease in perpetuity or any other tenure, let him have it. There should be tenant option.

5. In the matter of taking up Crown lands and lands under the Land for Settlements Act, do you think residence for a certain period should be enforced?—To show the *bona fides* of the tenant, I think it should be, but it should be left to the Land Board. I know of one case where a son has a lease-in-perpetuity section adjoining his father's farm. He naturally continued to live with his father, but he received a pre-emptory notice from the Land Board that he must reside on his own section, and I believe they also went so far as to say he should have his meals on his own section, although his father's house was only 100 yards away. I think the Land Board should have power to say that in certain conditions there is no need for strict compliance with the residence clause.

6. Do you think it is necessary to have cropping restrictions for the land-for-settlements land which are, you know, improved estates?—In many cases I think the restrictions are absurd, because they are restrictions set up for the whole of the colony without particular attention to the class of land they are dealing with. It might be very necessary to have restrictions on light land, but on heavy land where the exhaustion would not be so continuous they might very properly be relaxed. I saw that one witness, Mr. Bowrie, of the Agricultural College, said that there was no necessity for restrictions at all. I do not know that I would like to go so far as he did, but it is obvious to any one who goes over New Zealand that the land even in the purchased estates is of so different a quality that it is impossible for one set of regulations to suit every locality.

7. Still, you would have restrictions?—Yes, I think it is only right when the State purchases land of that nature it should impose some restrictions, which would not be necessary if the tenant were allowed to purchase his farm.

8. Supposing you leased 1,000 acres of your freehold, you would hardly give the tenant *carte blanche*?—I would, personally. But I may say that I would not lease land to any person in New Zealand.

9. You think that some restrictions should be imposed, but that they should be under the control of the Land Board, who should have a large amount of discretion in their enforcement?—Yes. I think that some of the Land Boards are more easy than others, but I suppose that will always be the case. I think that great consideration, even leniency, should be shown to the country settlers. In fact, since so much has been said in public about this the Land Boards are more lenient. It is impossible to find out the exact conditions under which they live without going into the blocks where they are. I know some places in the centre of the island where women have been for three years without seeing another woman. Where there is a family the children have no school, and grow up shy and reserved. That is a very serious matter and is a strong reason why the Land Board should give these settlers every consideration.

10. Have you any remarks to make on the question of climate and land-configuration?—In New Zealand I think we have been over anxious to settle the land, and have settled it to such an extent inland, without that communication which we ought to have provided, that the settlers have had to endure great hardships and been put to a great deal of unnecessary expense. I may also say that I believe there is a considerable amount of land in New Zealand which it would not pay to road. Settlement should go on on the fringe of settlement so that means of communication can readily be afforded. In the Waimarino Block a great number of settlers there are completely cut off from all others in the yearly expectation of the railway going through.

11. You are aware that there is a great pressure brought to bear on the Government to open up land, and it is almost impossible for them to disregard that pressure?—Yes, that is so, and I should say this to these people, "You can go on the land if you make your own roads."

12. Following on that, would you give people land for nothing under the homestead system?—Very largely I believe that would solve the difficulty. In cases where the land is completely isolated, and where it is inferior, to do that would be doing a good work for New Zealand.

13. Is there any land in Wellington that you would give away?—You might give away the hills on the opposite side of the harbour with great confidence.

14. Have you any knowledge or observation about the loading of land for roads and its working?—Not personally, except the usual complaints one hears frequently. I hear complaints made that

the local bodies are lax in applying for "thirds." Unfortunately the local body I am connected with have no "thirds" to collect, or we would apply for them. There is a good deal of friction between local bodies and the Department over the restrictions placed on the expenditure of these "thirds," and in cases it has led to the local body being unwilling to take the expenditure under its control.

15. Have you any knowledge of the advances-to-settlers system?—Personally I have not.

16. Is there any aggregation of large estates going on in your district or in the colony?—Since I have resided in my present neighbourhood the large estates have been practically all cut up. One estate, the Carnarvon, which you, Mr. Chairman, and myself inspected when it was suggested that it should be purchased for land-settlement, has since been sold for £8 an acre and resold again and again at a higher figure. That was the largest area of land in that district. The Moutoa Estate has also been sold and cut up, and all the estates in our neighbourhood, as far as I know, are in a similar position. The Oroua Downs, also offered to the Government, has been all cut up and sold. Sections of this estate also have been resold at higher figures.

17. In your district it is segregation, not aggregation that is going on?—That is so.

18. Have you had any experience in surface sowing?—I have had considerable experience on my own farm, but I suppose it is the higher and more broken runs in the South Island where there is more need for this evidence.

19. Your experience is on fairly good land?—Yes, but I have observed the matter whenever I have had an opportunity.

20. Have you had an opportunity of witnessing the effects of surplus sowing on country up to, say, 3,000 ft.?—Close to the Rangitikei River land has been surface sown up to 3,000 ft., and it has been a great success. It was bush land and papa formation, so that I saw it under the best possible conditions, and it took remarkably well.

21. Have you cultivated any of the grasses at all?—Yes.

22. What do you think are the best for a sound pasture?—That is such a wide question that it would be very unwise for me to answer it. It depends upon so many things—climate, soil, heat, rain, and so many other conditions, that I would require to know the conditions under which the pasture is to be laid down.

23. There are large areas of pastoral country in the South Island which have depreciated very much in the last ten years, and the question is what can we do to restore the fertility of this country and bring it up to a cultivable capacity?—I do not think we can expect land to grow anything unless it is first sown after the Native grasses are eaten out, but whether the sowing would be a success I am not prepared to say. My experience in the south has not been so great as up here. There are certain excellent grasses which have taken possession of a great deal of the North Island, but I am doubtful whether they would succeed to the same extent in the south. The danthonias are grasses that require almost tropical heat to germinate. They are found all over New Zealand, and they only succeed where they have a considerable amount of heat. They oust English grasses in dry seasons on land of a hard and clayey nature, whereas English grasses if they are sown and have a reasonable amount of rain can hold their own. I never could make up my mind whether danthonias would succeed in the South Island as they have done in some portions of the North Island. I sent a bag of it to Mr. Scobie Mackenzie some years ago. That gentleman had taken a great interest in the question of grassing in regard to Mount Ida Run, but he died before he could really observe how it was going on. Mr. Scobie Mackenzie's letter in relation to this subject, written on the 20th May, 1899, says, "I will be delighted to accept a bag of grass-seed. The danthonia was a common grass not far from Kyeburn some years ago, but overstocking and drought have apparently killed it. I will sow the seed in a good place next spring, and see what it comes to. I had a paddock of 20 acres at the back of the house which was ploughed and sown with English grasses twenty years ago. In course of time every blade died out—even cocksfoot—and the paddock gradually got covered over with a little blue wiry-looking grass which makes a good sward. Kirk said it was related to the hard fescue. Geo. Thompson (of the High School) says it is the *Atropis pucilla*, allied to the danthonia. I am quite satisfied the latter is nearer the mark, and that the grass is a dwarf variety of what we call the blue-tussock grass of the mountain—rare good grass. The other grass is a curious little bronze-coloured tufted low-growing grass. Thompson calls it *Poa Mackenzie*, and it answers to the description in Buchanan." I have heard, since giving evidence, that Mr. Mackenzie's sowing has greatly improved his lease. Mr. Bernard Chambers, of Te Mata, Havelock North, writes on 16th April, 1898, of the danthonia, says: "These grasses are the salvation of the country up the coast north of Napier, as they burn so readily and recover so quickly, thereby enabling the settlers to clear manuka and tauhine by fire. On my hills they are quite equal if kept down by cattle or fires to English grass, and withstand drought far better." In the North Island there is a considerable area of land which is almost taken possession of by danthonias owing to dry seasons which has enabled them to spread. I know some of the country which is particularly good pasture and carries sheep very successfully in the Wairarapa, for instance. The only opportunity I have had of observing the pasture lately was at Flaxbourne, and I had to go very minutely over the estate, and I noticed that the danthonia had not spread in the way I had expected, but that was perhaps because the pasture had only just recovered from what was practically the extermination of all the grasses by the rabbits. In Hawke's Bay and in other places where there are dry seasons I have noticed that danthonia has spread and has taken complete possession of some of the runs. For instance, in the case of the Mount Vernon Estate that is almost completely covered with danthonia, not on the plains so much, but on the hills. On the hills there is scarcely anything else but danthonia. There is another grass which grows very rapidly on the coast lands; I refer to *Microloena stipoides*. On the coast hills at Napier it has taken very well indeed, and is very successful in resisting the drought. However, to show how it is only suitable for certain classes of land, a friend of mine seeing a beautiful sward growing on a run took a piece of it into the Hastings district and planted it in a garden and it disappeared. He did not know whether that

was owing to the treatment of the gardener or not, but it did not thrive there. Perhaps it wanted the sea-air. My experience is more in a practical way, but Mr. Kirk's knowledge of these grasses is very great—in fact I do not know of anyone who has the same knowledge of Native grasses in New Zealand as Mr. Kirk has. There is a book that has been published by the Government, a book written by Mr. Buchanan, and his book is quite the best on the subject in New Zealand. I sent a copy Home to Mr. Carruthers, late of the British Museum, and now of the Royal Agricultural Society, one of the best authorities on grasses, and he said that he had never had an opportunity of seeing Mr. Buchanan's book before. He thanked me very much for the copy and said he had read it carefully. I do not think that Mr. Buchanan has ever got the recognition he deserves for what he has done in connection with New Zealand grasses. I would like also to say that there are different varieties of danthonia. There is the *semi-annularis* which gets its name from the half-round little hairs sticking out of a portion of the seed. That is supposed to be the better of the two best-known varieties of danthonia, but in my experience it does not make so close a sward as the *Danthonia pilosa*. This species gives a closer sward, but it is of a harder nature. I may state that I have sold the seed of this variety to be sown on manuka runs which had been almost abandoned or which were sold at a very cheap rate because the manuka had become so thick, and the owners bought the seed for the purpose of sowing it in the "burns," not expecting the manuka to be killed by it, but thinking it would remain there till the next burn and would help to carry the fire through. The gentleman who did this used to be a regular customer of mine, and he told me that it had succeeded admirably for that purpose, and that it had improved the run very much. I do not think my opinion in regard to the suitability or otherwise of this grass in the South Island would be of any value because I have no knowledge of it in that part of the colony.

24. There is another grass which is being grown in the northern portion of the North Island, the *Paspalum dilatatum*?—Yes; that is almost a forage plant. It grows in certain localities nearly as big as toitoi. It grows a wonderful amount of feed, but it must have heat. It does not grow sufficiently well, even in our neighbourhood, on account of the cold winters, and owing to the want of heat in the summer. There is only one place where it grows well in our district, as far as my knowledge goes, and that is on the late Mr. W. T. Owen's place, on the banks of the Wanganui River, and I suppose it gets the necessary heat there, as in the valley the temperature is very high often. In Queensland the *Paspalum dilatatum* has been a most complete success. Of course, I am only speaking from what I have read in the Australian newspapers. It has not succeeded in our district, but I believe that in the Auckland Provincial District, where there is the necessary degree of heat, it will probably succeed very well.

25. Do you believe in any system of leasehold without the option of purchase?—No.

26. Do you think the lease in perpetuity is a secure tenure?—It depends entirely on whether it is altered or not—it depends entirely on Parliament.

27. Do you think the freehold is a secure tenure?—That also depends entirely on the people of the colony.

28. It depends on Parliament?—Yes; if any person under the present law attempts to take your freehold you can prosecute him, and you have a good secure tenure, but if the Parliament of New Zealand thought it right to pass a law to interfere with the freehold it could do so.

29. Do you think the holders of lease-in-perpetuity land should have the option of the freehold?—Yes; I have already stated that that is included in the platform of the Farmers' Union.

30. All lessees?—Yes, all lessees.

31. Land-for-settlements land as well?—Yes.

32. On what terms would you give it to them?—I did not expect to be asked any question on that subject, and I therefore speak from memory. The land-for-settlements conditions are that the tenant pays 5 per cent. on the value of the land, but the tenant on other Crown lands 4 per cent., with a rebate; the cash purchaser or the occupation-with-right-of-purchase tenant 5 per cent. Our opinion is that all should pay alike, and that the tenant who desires to purchase should pay an actuarial amount equal to the difference during the term of his tenure and the occupation with right of purchase; that is, between 4 per cent. and 5 per cent. when he purchases his land.

33. Would you charge the holder of a lease under the Land for Settlements Act anything extra for the option?—No, I do not think so.

34. Do you think it would be a more valuable tenure if the option were given?—In my opinion it would be more satisfactory to many tenants. Some might not think so.

35. However, you would not charge him anything for it?—No.

36. Do you think the homestead system is suitable for the poor man?—I should not advise him to take poor land up if he could get other land. It would be an enormous benefit to the colony if he did so. It would be a greater benefit to the colony than to himself.

37. Do you think a rich man could take it up?—No; I do not think so, unless he gets a large area of land and so can make it profitable. I may say that the agitation for homestead land comes from the Auckland Provincial District. It is obvious that if you have first-class land in a humid climate it will grow more than first-class land in a dry climate, and also that inferior land will be better for the occupier in a good climate than inferior land will be in a poor climate. In the Auckland Provincial District the climate is so good that the land is capable of growing fruit, and that might make it pay to take up land under homestead conditions in that part of the colony.

38. Do you mean to say that inferior land will grow fruit?—Yes; what I would call inferior land for the purpose of growing grass will very often grow fruit very well.

39. We have had evidence that in order to grow fruit well you must have good land?—I have seen very good fruit grown in the North of Auckland on very poor land.

40. If the option were given to the present tenants, would you limit the area that could be held by any one man?—Yes. The platform of the Farmers' Union provides that the limit as to area shall be the same as under the Land Act.

41. Under the Land for Settlements Act you are aware there are farms ranging up to 200 acres. If the option were given that three of these farms should be grouped together—at present they are keeping three families in comfortable circumstances—do you think it would be against the best interests of the colony to have three such farms grouped?—I am not prepared to say unless I saw the particular land.

42. If my statement is correct, and if three families are living comfortably on 200 acres each, do you think it would be against the best interests of the country if they were grouped?—I do not know. I am not a great believer in cutting up land to such an extent that a settler would have to live an indifferent life. I am not prepared to answer that question without seeing the land.

43. Do you know of any land where 200 acres is sufficient to keep a family in very good circumstances?—Yes; I know of a good deal of land round about Palmerston North where 200 acres would make a very comfortable farm.

44. You have made very definite statements at different times with respect to the labour party and its aims in regard to the land-tenure question?—Where.

45. In several places?—Yes.

46. Can that party, or any other party, do anything that will seriously injure the producers of the colony without seriously crippling themselves?—No; they cannot, but I think they are so foolish in their requests that they would seriously cripple themselves as a result of their demands if those demands were acceded to.

47. Do you think they make these demands because they do not exactly understand them?—Yes; largely from ignorance.

48. I suppose you give them credit for being intelligent men?—Yes.

49. And also that they are honest and conscientious?—Certainly.

50. I desire now to refer to statements contained in a circular which the president of the Farmers' Union issued when the Commission was appointed. You are aware of the contents of that circular?—I remember that a circular was issued.

51. I suppose the statements in that document, as quoted by the newspapers, were correct?—I have no reason to suppose they were not.

52. These words occur in that circular, "I hope members will carry out the wishes of the executive"?—Yes.

53. You are quite sure the workers in the towns cannot do anything to injure the farmers without injuring themselves?—I believe that the Trades and Labour Council are doing something that is upsetting the farming community, and that they themselves will not be benefited by it. There seem to me to be two classes of these people—there are the trades-unionists and there are the socialists. The socialists seem to have different aims to the trade-unionists. The trade-unionists seem to wish to place taxation on "the other fellow," and the socialists seem to take a different view of the question—they seem to take rather a higher view of it.

54. From that would you say that the socialist was a better man for the community than the trades-unionist?—I would not like to say that.

55. As you know well, there is at the present time an agitation for revaluation of leases?—Yes.

56. Do you know the proposal of the last conference of the Trades and Labour Council?—Yes.

57. Do you agree with that proposal?—No.

58. Do you know what the object of the labour party was in regard to revaluation at the last conference?—I do not know. I imagine it was to get more rent out of the unfortunate producers in the country.

59. At the previous conference they favoured a revaluation scheme to apply to leases in future. Was not that a distinct difference?—Yes; I suppose it would be distinctly different, but it was obvious that that was only the beginning of the thing.

60. Do you think that any such proposal brought forward at that body has an ulterior motive behind it?—No; but it has caused unrest in the minds of the people who hold land under lease in perpetuity.

61. Is it not just as reasonable to-day to say that because there is a land-tax on freehold land that that is only the beginning, and that by-and-by the whole value of the land will be confiscated?—Possibly. If the Trades and Labour Council has its way it will possibly desire to confiscate the whole of the land.

62. But will there not be some equity or justice shown in dealing with this matter?—Fortunately the people of the colony have a feeling in favour of justice and equity, but I do not gather that a certain section of the people, who wish to rack-rent country settlers, have that desire for justice in their mind.

63. Under a system of revaluation, do you think that any party in this colony would rack-rent another?—Do you know anything about valuation?

64. I know something about it?—Have you had anything to do with the land?

65. I have been asked that question by two or three members of the Farmers' Union, and I may say that I had a good deal to do with land before I engaged in my present business?—Have you ever seen a valuer go over the land and value the improvements?

66. No; unfortunately many of the farmers, whose farms are valued, have never seen a valuer go over their land?—If you had any experience you would recognise that no farmers ever get their improvements valued fairly and equitably.

67. Granted that the present valuation is not fair to the farmers, is there any reason why that system of valuation should be followed in the future?—I do not know of any, excepting that it is not done now.

68. But it is not a question of what they or anybody else want—it is a question of what is absolutely fair and just to the farmers?—Yes

69. Could you outline a system of valuation which would give the farmer the value of his improvements?—Not except you put competent men to do the work. It is a mere question of personal appointment. It means the appointment of an individual who knows his business, and who is prepared to do a fair thing between both parties.

70. It can be done under those circumstances?—Yes; it has never been done in the past.

71. But we hope to improve on the past. Do you know of tenants who are paying too high a rent at the present time?—I know a great many tenants who think they are paying too high a rent.

72. Do you not think a system of revaluation would be a good thing for them?—I think it would be very profitable for them. The Irish people say they pay too high a rent, and they want revaluation, and it is going on in that country now.

73. Would it be unjust to revalue a man's land who was paying too low a rent—granted that this principle should only apply in the future?—The lease in perpetuity does not involve the revaluation of the land.

74. You believe there should be no breach of the present contract?—No; I think that remissions of rent should be given where they are too high, but that question is a very intricate one, and a very large one—to say how the country is going to assess a man. Because I hold that a man himself very largely puts the value on an estate, and gives the value to the land, and there is also the London market. Very little improvement in value is given to country property by the towns.

75. Would you make a definite pronouncement as to the unwisdom of either the town or the country party trying to harass each other?—No; you are going into a question quite apart from the land-tenure. You are going into a debating-society discussion.

76. No, we are going into something that vitally affects the position and condition of the farming community. Do you not think it is a mistake for either party to attempt to harass the other?—Decidedly.

77. That is against the best interests of the colony?—Yes, undoubtedly, and the Farmers' Union have never taken up any attitude that is not fair. They simply desire to live at peace with everybody.

78. *Mr. Johnston.*] Is the Farmers' Union a political organization, or has it anything to do with politics?—It has nothing whatever to do with party politics. It has undoubtedly taken a very vivid and very strong interest in such portions of politics as relate to the farming community, and I understand it will continue to do that in the interests of the farmers.

79. One of the vice-presidents of the Farmers' Union in the South Island said it was purely a political organization?—He may not have understood the distinction we make between party politics and politics affecting the farming community. We have no desire to turn out one Government and put in another, but we wish that all Governments should take the same view that we do, and we desire to influence any government which happens to come into power.

80. You have alluded to the treatment of leasehold land. Has such a case come within your knowledge in this country?—I said that I had seen the evidence given by a witness before the Commission, and in that evidence he stated that if power were given to revalue his land he would allow it to run to waste.

81. That was in reference to leasehold land in another case, and the statement was that the result of giving leases in Scotland was that the farmers did not improve their land as leaseholders would?—The reference was to Scotland, but I said I had seen one Crown tenant giving evidence who had said if his land was revalued he would let it run to waste.

82. What experience have you had of the Land for Settlements Act?—Not very much.

83. Have you visited any of the settlements in the South Island, such as Cheviot, Waikakahi, or Windsor Park?—Cheviot is not under the Land for Settlements Act. I have passed through Waikakahi, and I saw some very successful settlements there, but I heard that some of the farmers further back in that district were dissatisfied in respect to their rents. I could see that some of them were prosperous, and had done very well. I do not know of Cheviot, except by hearsay, and it is not under the Land for Settlements.

84. We have had a lot of evidence in connection with the agitation for the freehold, and in connection with the Farmers' Union. Could you give us any idea as to where the first agitation took place—that is, the agitation to obtain the freehold?—Among the tenants.

85. We have it on record that certain petitions were sent, and it has been stated that those petitions originated from the Farmers' Union, and that the Farmers' Union sent round to settlers holding land under the Land for Settlements Act asking them to sign these petitions in favour of the freehold. That statement has never been refuted by anybody. It has been admitted on all sides that such was the case.

86. We want to get at the bottom of the fact whether this originated from the settlers or the Farmers' Union?—Speaking from recollection I will tell you exactly what is in my mind. The Farmers' Union was first started up north, and there a platform was laid down. One of the planks of the platform was that the tenants should have a right to the freehold. I cannot speak of my own knowledge, because that was originated in the north, and I had no connection with the union then. I do not know who originated it. But when we came to consider the platform of the union, we had a conference in Wellington, and a considerable number of the gentlemen who were at that conference were Crown tenants. In discussing this question of the freehold tenure, those who were Crown tenants were strong on this particular plank of the platform, and after long discussion it was decided that it should stand as it stands at present. Then some time elapsed, and the question of a Fair Rent Bill came on. It takes a long time to get the settlers of the back blocks to talk of what is going on happen in the future, but at last they saw that in Parliament a Fair Rent Bill was being brought forward, and they became alarmed. Their experience was that they would not get what they considered justice in the event of their land being revalued, and they approached the Farmers' Union and urged on those who repre-

sented them to take up this matter as fully as they could ; but the actual first application, as far as I can recollect, was from a number of Crown tenants above the Hunterville district, who presented a petition to Mr. A. E. Remington, member for the district, asking him to bring forward some proposal to give them the right of purchase. As far as I can recollect, Mr. A. E. Remington was not able to present it to the House, because the petition was headed by his name, and no petition headed by the name of any individual can be presented to the House. He retained it therefore and the following season, when these people found this to be the case, they sent it on to us. They were not members of our union. We brought the whole subject up for discussion on our executive, and the executive, seeing this was the expressed desire of a number of Crown tenants that they should have the right of purchase, determined to give them the opportunity of signing a petition if they desired it. There was absolutely no touting to get these people to sign it. We only wanted an expression of opinion, and we formulated a petition which was practically in the words of those who presented the petition originally to Mr. Remington. That was sent round to the different branches and they were told that if any person wished to sign this petition he might do so. It was addressed to Parliament. That is as far as I know the whole circumstances of the case. There was no canvasser sent out. All we desired to do, seeing that the Crown tenants were very anxious about the matter, as far as our information went, was that they should have an opportunity to make a combined effort.

87. There were no definite instructions issued to secretaries or presidents to endeavour to get this signed by Crown tenants?—As far as I know, none whatever. The instructions were that we understood there was a great demand by Crown tenants to get the option of purchase, and if any Crown tenants desired to sign this we desired to give them the opportunity, but absolutely no instructions were sent to get these people to sign.

88. Can you give us an idea of what the result was as far as the Crown tenants are concerned?—I have forgotten altogether.

89. We were told that the president of the Farmers' Union at Fairlie, or a place next Fairlie, Mr. Trotter, said in his evidence that because he was a lease-in-perpetuity tenant he was told at an executive meeting his presence was not wanted. You have no recollection of that?—I have no knowledge whatever of that.

90. You quoted an instance of a man having to reside on his land, and he was living at his father's residence. He took up the lease knowing those were the conditions, did he not?—Of course, everybody knows what residence means. I should have imagined it was sufficient to reside across the road from his land.

91. The evidence we have had as to the treatment by the Land Boards has been most favourable, especially in the South Island, on the question of residence, because the Land Boards have got considerable discretion?—I do not want to make any remarks about Land Boards. I only happened to give this instance on another question as showing that restrictions might reasonably be placed in the hands of the Land Boards.

92. Seeing that you are the president of a very large body in the community that is deeply interested in our reference, and having regard to your experience in the country, and especially on this coast, do you not think it is only fair and reasonable that you should have given evidence as president?—I do not consider it so.

93. There was an organization got up to give evidence by the union?—No organization from the executive. This Commission having been appointed, the executive considered what we were to do, and they thought it would be a misfortune if the Farmers' Union did not have itself represented before the Commission at various places they met at, because they would be able to represent the opinion of the particular district before the Commission. It would be impossible for one man at the head of affairs to give an opinion for the whole of New Zealand, and therefore it was considered much wiser for those who were interested, and with a special knowledge, that they should be asked to give evidence before the Commission as it went round on its journeys. It was never desired on the part of the union that I should give evidence. I have said from the outset that I was not going to give evidence unless requested to do so.

94. You say some land is not worth roading : what district do you allude to?—Close here, across the bay.

95. Is there any up in your own district?—Oh, no.

96. I thought from your remarks you meant your own district?—No, I should not like to make such a remark as that.

97. Do you not think the back-blocks settlers in Wellington and Taranaki suffer as much from want of roads as in the far north that we hear so much about, and where there are so many waterways?—I do not know the north sufficiently to express an opinion. It is certain that in bush land the very life of the settlers is concerned with roads. It is quite different where you settle on open level land, and can go along the plains and make a road wherever you like. It is different, for instance, on the plains in Canterbury, because there you can get along, although perhaps not so satisfactorily as with roads ; but in the bush land it is absolutely necessary, if you are going to have any settlement at all, that you should have roads for the settler to have an outlet to get his produce to market. Therefore it is a vital matter in the bush districts that the lands shall be opened up by roads ; if not, you cannot expect settlers. They are at enormous extra cost in living, and very little can be made there.

98. Do you think that if the settlers had even decently passable roads a great deal of this agitation and discontent would not have existed?—The want of roads must have increased the agitation decidedly. I think one can see one's-self that a great deal of the evidence before you is from people who have a grievance about roads.

99. Now, Mr. Wilson, how would you suggest that the land should be classified—that is to say, allowing 640 acres of first-class land as the maximum for one individual to hold?—I do not understand the question.

100. Supposing you know land yourself up the Rangitikei River classified as first-class land—the flats at Oroua Downs are classified as first-class land—do you think that if there is a maximum acreage of land that both should be termed first-class land of which a person may hold 640 acres?—I do not see how it is possible to compare the two.

101. They are classed at the present time?—I suppose they are. I know that there is a great deal of land that is classed as first-class land which is not first-class in the eyes of a practical man, but it is very difficult to say what it is. First-class land is defined in the Land for Settlements Act as agricultural land; third-class land is defined as pastoral land, and second-class land is defined as a mixture of the two. I should say that is a very fair classification.

102. Do you think that the classifications of the land in this case are decidedly wrong?—In many instances decidedly wrong.

103. Would you advocate that 640 acres of the Kairanga Flats is too much or too little for one man to hold?—I recollect the Kairanga Flat when a man could not go on it except up to his middle in water; under those conditions, 640 acres would not be too much.

104. I want to get at what area of that class of land alluded to—call it, say, first-class, and call the other second-class land?—You cannot very well make the comparison, because there is no such land as that in New Zealand to open up.

105. There are the Waimate Plains; there is a good deal of good land there?—The Waimate Plains have nothing approaching that in extent, and the land there is all settled.

106. In the North of Auckland there is some swamp land that would be pretty well on a par with what I mentioned?—Possibly. I was told by one of the Judges who has been up in Auckland lately, there is a block of Native land there which is as fine a block as ever he saw, and no move being made to settle it.

107. You would not like to express an opinion, then, on the point I have put to you?—I have not thought of it, and am not able to express an opinion.

108. Do you think that the resolutions passed by the late labour conference here were most detrimental to the interests of the settlers in general?—They struck me as such.

109. I mean the resolutions passed by the Trades and Labour Conference in connection with re-valuation?—I took it naturally that you were speaking of those.

110. Have you had any experience of the land laws of Australia of late years?—I lived in Australia for some years, but I have not watched the land legislation there lately.

111. Would you express an opinion on those laws at the present time?—No.

112. You have made a considerable number of valuations have you not?—Some.

113. In valuing bush land, is there any capital and labour sunk in the improvement of bush farms that is not visible to the valuator when he makes his valuation?—There are evidences of much of the improvements that are made; generally, the only invisible improvement is drainage.

114. The visible results of the bush up to a certain time is seen by the settlers?—If you wait for a long time they disappear, but up to a certain time there is evidence of the character and quality of the bush. The practical man knows exactly whether some is matai or tawa, and he would consider the size of the trees, and probably in remote cases the value of the bush. I think, therefore, there is evidence to go upon.

115. Sufficient to give the entire amount of time and labour expended?—No; there are many things that occur to destroy the evidences; for instance, a slip that carries away half a mile of fences. You would see the slip, but you do not know whether as regards the fencing it was second-class fencing or not. It is impossible for the valuer to see the whole of the improvements. The greater experience and knowledge of the valuer the more evidence he will see.

116. You have known men sow bush land three times?—No.

117. Well, twice?—Yes.

118. That is not visible?—No.

119. Look at a burn—that is not visible always?—I admit that. I have known, in the Fitzherbert district, after a very bad burn, that the owner sowed oats in order to burn the lying timber. By waiting he got a good burn, but all that expenditure would be invisible.

120. What is the value of the Carnarvon Estate at the present time?—It is very hard to say; I know some of it has been sold at £18 an acre.

121. The original cost was £8?—Something less, originally, to Mr. Larkworthy. It was offered, I think, at £7 to the Government. It has been rapidly increasing in value since the dairying industry was started there.

122. In your observations in valuing, is the Californian thistle bad for the cows, and the ragwort?—Well, the Californian thistle, I am sorry to say, is very considerably in evidence, but it is very questionable, if we except the agricultural land, whether it makes very much difference. I have heard some people say that it would be a very good thing to sow it on inferior land—they actually do it at Natal.

123. You have positive proof of that?—Yes, I know that, and the sheep, when it is cut and wilted, will eat this as they will eat the big variegated thistle when it is similarly treated. On this coast there is a very much larger extent of land with Californian thistle than many people imagine.

124. Is it increasing?—I do not think it is. I think that the settlers are only coming to recognise it now. I think it has been there nearly all the time. It has been sown with the seed, and has extended and spread, and I think the people are only now becoming aware of this Californian thistle in the bush districts.

125. Do you think it would depreciate the value of a farm if it was there in evidence?—On agricultural land, most undoubtedly.

126. You think it would not in the bush?—I do not think it would cause so much damage.

127. Is there much attempt to eradicate it?—Great attempts.

128. Have they been successful?—Almost completely unsuccessful.

129. Have you ever been in Southland?—I have passed through it a couple of times.

130. You have not seen the immense amount of damage it is doing there?—No, but I think a great deal of the seed came from there, and so I would not sow one single ounce of Southland seed unless I were to see it growing.

131. We had a lot of evidence given about danthonia: you say you would not like to express an opinion of the Southland runs. Mr. Murphy, however, said he thought you would say what grasses are most suitable for, say, the Mackenzie Country and Central Otago?—I can only tell you that if I had a run there I should most undoubtedly make experiments, and it is only by experiments you can find out which is the most successful grass. If the conditions are suitable in Central Otago, danthonia may be sown with advantage. I think the conditions might be suitable, because there is a considerable amount of heat there in summer, which one might not expect from its geographical position, and I think it is very likely danthonia would do very well. It is killed by the frost with us—we know that from experience; but we do not know from experience whether the sowing of that particular grass would benefit the land or not, except as I say, as far as my knowledge goes, the late Mr. Scobie Mackenzie did sow this grass on the Mount Ida Block.

132. On what part of the Mount Ida?—I do not know.

133. You know the country?—No, except from a distance.

134. You know that homestead?—No. Mr. Scobie Mackenzie took a great interest I know in this grass, and made the experiment of sowing it.

135. Is this *paspalum* anything like tall fescue?—No, it has not the disagreeable properties on our land that tall fescue has.

136. You would not offer any suggestions as to the regrassing of these southern runs?—I would not like to, except that if I had it I would make extensive experiments in resowing them.

137. Would you advocate the Government making these experiments?—I think it is distinctly in the colony's interests that that should be done. Your Chairman, who has a more complete knowledge of these runs than any other person in New Zealand, says they have gone back within his knowledge. If these runs have gone back, as they are Government land, it is in the interests of the colony to find out the best way of renovating these places. Therefore it is a proper thing for the Government to make the attempt. I am reminded that I made some remarks before the Agricultural Conference some years ago about these Native grasses, and Mr. Stead bought a place up in Canterbury some time after, and seeing these remarks he directed his son, who was managing it, to come and see me about this question of sowing danthonia grass, because he felt it necessary to sow a considerable area of it. I told him what little I knew about the subject, and he did sow some. I do not know that he sowed danthonia, but he told me afterwards he had succeeded fairly well with cocksfoot in many instances. That is his experience.

138. Would you advocate the granting of these freeholds to the large runs in Otago?—That subject has not come before us.

139. You would not express an individual opinion?—I would not desire to do so.

140. Will you express an individual opinion as to the advisability of giving to tenants of education endowments the right of purchase?—No, I do not wish to.

141. *Mr. McCutchan.*] In your own remarks you said that in order to secure the prosperity of the colony it was necessary to have a contented and happy people, that the land should be made productive, and you went further and said that in order to secure these things security of tenure was absolutely necessary, and you went still further and also said that there was a sense of insecurity in the colony owing to the demands for revaluation and the introduction of Fair Rent Bills. Would it not be a very good thing if this sense of insecurity could be removed?—I think it would very largely help in the productive result to the colony.

142. Settlers everywhere have expressed their fear of this Fair Rent Bill. I wish to ask you if you have seen the provisions of that Bill?—I have.

143. Do you think it was intended to make the provisions of the Bill retroactive?—I have forgotten that point, and I would not like to say. It was not introduced last session, and I do not remember whether that was the case or not.

144. Where large vested areas are involved can legislation be brought in to interfere with those interests without compensation?—It is done. There are vested interests in other walks of life which have been interfered with by legislation.

145. But is there not a right of appeal to a higher power?—No.

146. You think it is rightly due to these Fair Rent Bills that the settlers have this feeling of insecurity?—Almost entirely so, I think. At least, so they have expressed it to me. I never have been a leaseholder and I never desire to be one, but I hear a great many opinions expressed by settlers from all parts of New Zealand, and it is that particular Bill which has given them the sense of insecurity, in my opinion. In regard to Native leases, the Fair Rent Bill would have a very serious effect on the colony. You must remember that the Maori is a very litigious individual, and would be quite ready if urged on by other individuals to go in for litigation as to rent. Therefore, in connection with Native leases, you can easily understand that with a Fair Rent Bill there would be a great deal of litigation. In the case of a Fair Rent Bill being passed on the occasion of a lease running out, it would have a very serious effect from that point of view alone on the tenants of the colony.

147. A representative of the Trades and Labour Council gave evidence before this Commission yesterday, and said he believed that the resolution which was carried recently advocating revaluation on the death of the lessee, or transfer of the lease, was entirely due to the agitation on the part of the Crown tenants for the freehold. Do you think that that is so?—I could not possibly offer an opinion on that matter. I have not the slightest idea regarding it.

148. With reference to the whole question of insecurity, do you not think that there is a substantial majority of people in the colony who would put their feet down on any attempt to revalue existing leases?—I should hope so.

149. Do you think these people are in a majority in the colony?—I believe they are.

150. Then, you think there is no real danger from this agitation?—I do not think there is as much danger as one would expect, because the Fair Rent Bill has received scant courtesy in the House as well as in the colony.

151. You made reference to back-block life, and there is no doubt that the settlers in the back blocks of the colony have not received proper treatment from the State in the past. There has been a great deal of unnecessary hardship and slavery gone through by these settlers. Now, there seems to me a very determined effort being made by the settlers to get justice from the State, and, of course, the drawbacks are the question of residence, schools, doctors, and the cost of the necessaries of life. It all hangs on the one point of roads. In dealing with the question of roads it divides itself into two headings—what should the State do, and what should the settlers themselves do? I wish to ask you if you have thought of any wide system by which to settle the matter as to how road-construction might best take place?—I intimated that in my opinion we had oversettled the country of New Zealand, because we ought not to put settlers on the land till the district was connected with the roaded system of the colony, and connected by road also to the railway system of the colony, and go into the centre of the island and so have to make a very expensive road, but that if the settlement of the colony had gone on by the gradual process of accretion, these difficulties would have been largely got over. Many people think, too, that the State ought to fell the bush and grass the land before they open it to the tenants. I do not agree that that is an economical proceeding. I believe the tenant—who is, after all, the master of his own labour—would bring his labour into play, and would do it more economically and probably better than the State would do it. The only question is whether we ought not to provide a larger sum of money for the purpose of roading the country before it is opened up, and I believe that therein largely lies the solution of the difficulty. We must realise, and any person who has any knowledge of country life must realise, that the roading is as important as the tenure for the greatest production from the land. Now, the suggestion I would offer would be this: the Government should find the money for the local bodies to put the main road right through on a very liberal scale. The main roads of a block should be specified by some disinterested individual, to decide what he considered was the main road for the purpose of opening up such-and-such country. Then I think the local bodies would spend the money in a more economical way than the State would do it. I think that they should be given very liberal terms, and I think the best way would be to offer them, say, £3 for £1 raised by them on very much the same terms as under the Roads and Bridges Construction Act brought in by Major Atkinson, who had a complete knowledge of the class of country you spoke of. And then the land would be raised in value in consequence of the roads and bridges having been completed. Then, as far as the by-roads are concerned, the State should equally, I think, find the money for the local bodies under the Loans to Local Bodies Act, but in that case the lands ought to bear the whole cost, but it ought to be advanced in such a way as to enable the local bodies who undertake the work to complete it. In the case of the main roads there ought to be a larger subsidy from the Government, and in the case of the local roads I think money should be found and should be charged to the land.

152. With reference to the Loans to Local Bodies Act, there are some of the most progressive local bodies in the colony who find that the lending-power under that Act—namely, £6,000 a year—is totally inadequate for the requirements of these big districts. In many counties they want two or three times that amount. Do you think the Government would act wisely in extending the amount the counties can borrow?—If they want to settle the country they, the House, must give larger borrowing-powers. I have been the chairman of a council for a number of years, and I know you cannot road the county out of rates, and especially so in a bush district. The Government must find the money if they want such country settled.

153. With reference to the “thirds” on the blocks of Crown lands which are sold, do you think that where land is leased on the occupation with right of purchase and is purchased by the tenant at the end of ten years, that one-third of the capital value of the section should go to local bodies. Of course they get a third of the rent for the first ten years, but then the State gets the capital value for the land?—I think most decidedly so. If the one is equitable, the other is only a corollary of it.

154. Do you think the “thirds” from cash sales should go to the local body?—I would not like to deal with that question until you state the case a little more clearly. Is it not the case that cash land has a less capital value than lease-in-perpetuity land?

155. No; under the Act of 1892 the capital value is identical in both cases?—I think, broadly speaking, it should be so. There are many cases in which the Government have spent a considerable amount of public money on roads before opening up the land, and since the opening-up of that land with bridging and roading. I am not quite prepared to say that they should at the same time hand over the “third,” but as a general principle, I think it is only reasonable that if the one is right the other should be right also.

156. We had a return furnished in connection with the back blocks of Taranaki. It was shown in the return that the cost to the State of this land ran from 1s. 6d. to 4s. 6d. These lands were disposed of at a price running from 12s. 6d. to £2 5s., which allows a substantial margin for the State, which amount was meant to be applied, or at least some of it, to the roading: in view of the fact that the State made such a large profit on the land, do you not think it would be perfectly equitable that they should return the “thirds” on the cash lands?—I should say justifiably so; but what you state is only the first cost. There was additional cost of surveying.

157. The Commission in travelling around noticed various blocks of Native lands which were not occupied? It is one of the great drawbacks to the districts in which they are situated. They are not reproductive.

158. Do you think it would be wise for the Government to take these lands under the Land for Settlements Act, placing the onus of proof of title upon the owners, in view of the fact that these lands have been largely increased in value during the last few years by the expenditure and enterprise of the white settlers?—The union holds a strong opinion on that point, and they never could understand why the large proprietors in New Zealand should have their land compulsorily taken, and these same proprietors were probably good citizens, and returning a considerable amount in taxation, and producing a large return off the land, while the Native owner did not do anything, but held the land for its future value. We never could understand the principle which guided the Government in not passing such an Act in order to enable the country to take these lands. In many cases it has retarded settlement to a degree which no person unless he visited the actual settlements would believe.

159. There is some heart-burning throughout the rural districts of the colony with regard to the demands from the labour party that the parliamentary franchise should be extended to local bodies elections in view of the fact that if that franchise is extended to suit the popular will, it will be the means of controlling expenditure for which there will be no responsibility as far as the electors under that franchise are concerned, and will place *bonâ fide* settlers in an unfair position. Do you think that should be possible?—That is the opinion held by the Farmers' Union.

160. It is stated that since the people who are travelling about contribute through the Customs to the consolidated revenue, that they should have a voice in these elections, as the grants from the consolidated revenue are given to the local bodies, and therefore they should have a voice in the local bodies' representation. Do you think that there is anything in that contention?—I should not like to say. You have stated that the grants come from the consolidated revenue, but I should rather say they came from borrowed money. I think it is unfortunate and an unwise action on the part of the labour unions to demand such a thing. I can see no object to be gained by them, but I can see great danger for the ratepayers who have to find eventually the money for the loans and rates.

161. Even supposing that the money does come from borrowed loans, is it not the case that these men say they should have a voice inasmuch as, through the Customs, they help to contribute towards the funds which pay interest on the loans, and in that way they should get representation?—I do not know that they should. I cannot see that they should have representation in that case. They are a floating population—they have no abiding interest in the country—they can go to-morrow, the security which they offer is that of the rent, and it is not that of the individual, and, where the security is such, I think they ought not to have a voice in the borrowing of the money.

162. Would you say that inasmuch as grants from Parliament are largely relied on through the influence of the representatives, and as these men have the adult franchise, and get the representation in that way, they are not entitled to representation on local bodies, and in consideration of the fact that they contribute nothing to the local rates?—I should not like to say that the politician has very much say in the grants, I should rather say that the Minister has the say.

163. That is quite true, but all over the colony we have heard great complaints that these grants go by favours, like kissing, and the amount of the grant depends very largely on the strength of the representative who is sent to Parliament?—Possibly. Sometimes the weakness of the politician is a distinct advantage to him, because then the Government rather favours him.

164. With reference to the question of valuation, you spoke about the unseen improvements in reply to Mr. Johnston, but there are what may be called extravagant improvements made by the tenant himself outside his fences, such as his contributions to dairy factories, and freezing-works. These under an equitable system of valuation, do you not think should be included in the tenant's improvements?—Most undoubtedly.

165. And they go to the unimproved value?—Most unfairly. A man assumes a responsibility, and pays a certain amount of taxes for the very purpose of increasing the value of his land in the eyes of the valuer, and it is, I must admit, a most unfair thing.

166. You think there ought to be an alteration in the regulations under which the valuer makes the assessments?—I am afraid that you could not do so. I am afraid the Act would not allow the valuer to take that into consideration. It has always seemed to me most unjust that a set of individuals should borrow money and find taxation to pay for it, and then have their unimproved value increased by so doing. It seems to me exceedingly unjust, and it ought to be undoubtedly remedied.

167. *Mr. Anstey.*] Do I understand you to advocate the reintroduction, practically, of the old Roads and Bridges Construction Act?—No; I spoke of the system of subsidy under it.

168. You are aware that under that Act there was a great deal of money very wastefully expended?—I cannot say that from my experience. In my opinion the money was very carefully and economically expended.

169. You are aware that under that system the Government found two-thirds of the money, while the local body found only one-third, and there was a great temptation therefore to get money spent in the district—that was our experience in the south—in order to get hold of Government money?—That was not my experience. From my knowledge of the work done under that Act I emphatically say that there was no money wasted, and if the local body has to find £1 for every £3 for a main road, they will be very chary about borrowing money, seeing that they would have to go to the ratepayers to ask for that £1.

170. It was not our experience in the south?—I am sorry to hear that, because mine is the other way. For instance, under that system we built a tramway which has been a great convenience to the district.

171. With regard to the question of grassing, you have tried both danthonia and *Paspalum dilatatum*, and you say that they are practically only suited for a very warm climate. Have you had any experience of grasses that would be suitable in a colder climate?—What I said about danthonia was that it almost required a tropical heat to germinate.

172. Then it would not be suitable for the South Island? Have you had any experience of any grasses which would be likely to thrive in the South Island?—There are a large number of grasses

which would grow under very cold conditions—cocksfoot, and ryegrass, if it is suitable land as far as climatic conditions are concerned. There are quite a number of grasses which will stand very severe seasons. For instance, crested dogstail.

173. But none of them are satisfactory as far as the southern lands are concerned?—Perhaps not, but I do not know what could be done in regard to those lands, because I have had no experience of them, and I do not wish to offer an opinion. Having taken a great interest in grasses all my life, and having lived fifty-five years, I have become sceptical as to whether I know anything about grasses at all. I used to fancy I knew something about them, but now I am afraid I know very little.

174. You said you were in favour of settling the lands near the centres first, before pushing settlement far back. Do I understand you to say you would approve of the Government acquiring land from private owners near the centres?—I think that should be the last thing they should do. Settle the back country first, but keep the roads up to the settlement.

175. There is no suitable land near the centres except in the hands of private owners. What would you do in that case?—I think you misunderstood me. I think I said settle the Crown lands only on the fringe of settlement. It seems to me, from a practical point of view, an absurd thing to buy land at a high price to settle it.

176. You say you want to settle the remote Crown lands, but there are no Crown lands excepting those that are remote; but you want to settle land near the centres also. Where would you get the land to settle?—I said on the fringe of settlement. I would not settle land that is near the centre, but beyond the fringe of settlement. I would settle that first before going far afield.

177. Where is that land on the fringe of settlement? Is there any in New Zealand?—Quantities of it; Native land.

178. Do you think it would be wise to resume the title to these Native lands and to settle them?—I think so most undoubtedly. I do not understand why people do not agitate more for it, for it seems to me a very proper thing.

179. Then, I take it, you advocate the cessation of settling the most remote lands, or the settlement of private estates until you have completed the settlement of the Native lands?—No. If there were a block of Native land near where the country is roaded, or connected by road with a railway, I would cut that up first and settle it, because the roads are close to it.

180. But is not there an immense amount of Native land, freehold, near the railways and roads lying idle?—Not an immense amount.

181. We have seen it all over the colony?—There is not a great amount so far as my knowledge goes.

182. Then in the case where this land was roaded and near a railway you would have it settled?—Most undoubtedly.

183. Supposing there was a private estate owned by a white man, almost as close and lying unproductive, would it be wise to take it?—Sometimes. I do not object to the Land for Settlements Act if it is administered fairly and reasonably; but what I would like to see would be the Crown lands which are suitable for settlement taken in hand first and settled before settlement is pushed too far back.

184. In advance of roads?—I should rather say, settle the Crown land on the fringe of settlement first, and then resume private lands if necessary.

185. I have not seen any of this land on the fringe of settlement that you refer to. There is really no Crown land available unless you go right back now?—You see the Commission only went to one little fringe of settlement, Whangamomona, and apparently they found the journey so unsatisfactory that they did not go any further and have remained close to the railway ever since.

186. Is there any land of that kind we do not know of beyond Whangamomona?—There is, I believe, some.

187. Have those men gone too far back?—Yes; they did when the first went.

188. Is there any land between Stratford and Whangamomona that could have been settled before that?—I should imagine so.

189. Is that all settled now?—It is gradually becoming settled.

190. Is there any Crown land between the two places?—I could not say.

191. Speaking in favour of the freehold, you said you thought the leaseholder was likely to depreciate his farm? I presume that would not apply in the case of tenants under lease in perpetuity?—No; I stated that previously. It would not be human nature for him to depreciate what is his own.

192. I understood you to say that your union proposed to give the right of option of the freehold to existing Crown leaseholders, and I understand that the terms on which you wish to give that option to tenants on Crown lands is on their payment of 1 per cent. in addition to their present rent?—The proposal is that you should find out actuarially the amount which, capitalised for the number of years they have held their lease, would represent the difference between 4 per cent. and 5 per cent.

193. Do you consider that the right of freehold would be worth the difference?—I cannot say; that would have to be considered by the individual. One man might think it was and another might not. I think the interests of settlement would be improved by giving the option.

194. Why do you advocate giving similar privileges to tenants under the Land for Settlements Act without making some charge for that privilege?—They have already paid 5 per cent. on more than the land cost the Government, and they should have the same terms as the other Crown tenants.

195. I presume they took it up with that knowledge, and also that the people who took up the Crown lands at 4 per cent. were in the same position, yet you propose to make a differentiation in the charge?—I want to equalise the two leases and place the man who has been paying 4 per cent. on the same footing as the man who has been paying 5 per cent.

196. The annual value of the land is all the tenant can pay for it, is not that so?—Yes.

197. If you charge one man 4 per cent. and the other 5 per cent. the difference is in the capital value?—I think it is in the rent. The land is valued at a price per acre, and 4 per cent. or 5 per cent. charged as rent, according to the tenure.

198. Supposing you have two sections of land, each worth £1 an acre, and you rent one at 4 per cent. and the other at 5 per cent., the difference is in the capital value?—You are working it backwards.

199. The value of land is its only value to the tenant?—I presume so; but, unfortunately, the taxation-value of land is based on the selling-value.

200. In the case of two sections, each valued at £1 an acre, one of which is leased at 4 per cent. and the other at 5 per cent., the difference is in the capital value?—The capital value is fixed, the rent is charged on it.

201. The capital value is fixed on the rent?—No; *vice versa*.

202. You say that the freehold tenure is a much better tenure, in the interest of the country, than the leasehold. Would you propose to extend that principle to others than Crown tenants. For instance, there are large public reserves. Would it not be wise to extend the freehold principle to them too?—There certainly has not been the same feeling of unrest or the same demand from the tenants on these reserves.

203. You think there is not the same necessity?—I do not say there is not the same necessity; but, as far as I know, there is not the same demand for the freehold. I have seen a great amount of evidence which has been put before the Commission that has astonished me. For instance, I noticed that you had evidence from the Nelson district, and that there was a demand made for the freehold of leases there, held as a college endowment, I think, and showing that there was a very unfair state of things on account of the trustees' action.

204. You say you have followed the evidence. Do you think there is not a considerably larger portion of these reserves tenants who have come before us and demanded the freehold than of Crown tenants?—I really could not say. There have been good reports in the *New Zealand Times*, and I have followed the evidence in that whenever I have had the opportunity. I have no doubt you can count the numbers up when the evidence is printed, and can prove for yourself what the result is.

205. With regard to giving the freehold to Crown tenants, would it not be wise to insist also that private freeholders, who lease their lands, should be brought into the same lines?—I think the two things are not analogous.

206. You would not give the right of option to private tenants?—I should not. They do so in Ireland; a voluntary sale by a proprietor is made, and the British Government finds the money, and I believe it will solve largely the difficulty of land-tenure there; but the circumstances are quite different in New Zealand.

207. Do you think it advisable that all the land in New Zealand should be farmed by freeholders?—I think it would be to the benefit of the colony.

208. Supposing you give the right of option, what will happen in the next generation when everyone will have the freehold, we will suppose? How will people who wish to farm land who have not the money to purchase the freehold do?—I do not know. That is a long way to look ahead, and there may be altogether altered conditions.

209. By giving the freehold to individuals you are simply creating the same trouble that you are trying to get away from, with this difference, that you are going to substitute private lessors for the State?—No. For all practical purposes the State has already parted with the freehold of lease-in-perpetuity land. The State cannot get that land back until a thousand years have elapsed.

210. You think the lease in perpetuity is a bad lease from the point of view of the State?—I should say distinctly it was. They get no taxation from it and very little net rent.

211. Do you think, in the case of lands leased from the State, that there should be provision for periodical revaluation at suitable periods?—No, I do not. I think it would be better to let the Land Act stand as it is and allow people to take it up under lease in perpetuity, with the option of converting into the freehold.

212. You think there should be only two tenures—lease in perpetuity and freehold?—I think we should take the Act as it stands and allow the individual who takes up the land to work under whatever tenure he likes.

213. That turns all into the freehold?—The individual might not exercise the option. I think, too, deferred payment should be added. It has created a very good class of farmer, who have had the land at a reasonable price and by their energy and self-denial have bought it. I think the homestead system was another useful system under certain conditions. I think the deferred payment should be added to the existing tenures, and the option of taking up the land should be entirely left to the individual himself.

214. You would have deferred payment, occupation with right of purchase, and lease in perpetuity?—I would.

215. You told us the Crown tenants were very strong for the freehold. Would you be prepared to deny the fact that what has practically been the main cause of the withdrawal of the membership of your union in the south has been the fact that you have advocated this freehold?—I am not so informed.

PATRICK JOSEPH O'REGAN examined.

216. *The Chairman.*] What are you?—I am a solicitor in Wellington. I have been here as a permanent resident for about five years, and have been in the colony all my life.

217. Have you got any land?—No.

218. Would you state the particular point you wish to bring before the Commission?—I have one or two points. I do not wish to go into details in connection with the land question. I prefer to deal rather with certain leading principles. Details apply more to particular localities, whereas principles are of universal application. I desire, first of all, to make a reference to the land-settlement policy at present in operation, and to point out in connection therewith certain characteristics which I regard as fundamental defects. I should like to say at the outset that I am totally opposed to the principle of the land-for-settlements policy. As a member of the House in 1894, I voted against it, and would do so again, and I propose to give to the Commission very good reasons for the faith that is in me. To begin with, I think it is wrong from the point of view of public policy to borrow money, whether within the colony or without it, for the purpose of acquiring land, the value of which has been largely made by ourselves. We are merely borrowing to buy our own, and I would point out that there is no provision for the ultimate extinguishment of the principal, so that although, if we were guided by the name, we are engaged in a policy of land for settlement; we are really converting money-lenders into landlords, and some of them absentee landlords. I prefer in considering this question to look, not at its immediate consequences, but into the potentialities of the system. The potentialities of the system are these. We shall in the end create a landocracy of comparatively small holders who will be a reactionary force in this country. Between the money-lender from whom the money is borrowed, and the person who gets the lease in perpetuity, the great mass of the people will be wronged, and, as far as the freehold—that is to say, the fee-simple—is concerned, if we go on with the present policy of acquiring estates, it is only a matter of time when the tenants will become numerous enough to enforce their demand. Instead of calling the system a land-for-settlements policy it might be called a policy of recruiting for the Farmers' Union. These are the fundamental objections I have to the policy of land-settlement, but I want to point out that in the practical application of the system, admitting the principle, there are defects that require to be remedied. When the Land and Income Tax Act was passed in 1891 there was a special provision in the statute to the effect that in the event of a disputed valuation the Government, by adding 10 per cent. to the owner's valuation, could acquire the property, and it was under that special provision that Cheviot Estate was acquired. If you look at the Land and Income Tax Act of 1900, which is a consolidating measure, you will find that no such provision now exists, the reason no doubt being that it was considered superfluous to have such a provision in the face of the Land for Settlements Act which had been passed in the interim. But what I wish to point out particularly is that the Land for Settlements Act contains no guiding principle as to how the value of land for purchase is to be computed, with the result that a very large latitude is allowed to the idiosyncrasies of the Court or the Land-purchase Board as the case may be. I would point out that the most extravagant prices are invariably paid for estates taken compulsorily, because in that case the Land-purchase Board has nothing to do with the purchase which is effected by a Judge and two assessors, one of whom represents the owner. I have here a return to substantiate what I am saying. The return was laid on the table of the House in 1902 on the motion of Mr. Lang—Parliamentary Paper C.—5A.—containing particulars as to the purchase of four estates taken under the compulsory provisions of the Land for Settlements Act—viz., Ardgowan, Hatuma, Kumeroa, and Forest Gate. The aggregate value of these four estates for land-tax purposes was £200,206, and the price paid by the colony was £253,606, that is to say, an increase of £53,000 on the amount they were assessed for land-tax purposes. A more glaring example, but one which occurred subsequent to this return, is to be found in Flaxbourne, where the colony paid about £70,000 more than the land-tax value of the estate. From these facts either of two inferences is inevitable. If the land-tax value is correct the colony has paid too much for these properties, and the tenants must pay rent on a spurious value. Of course I shall be told that we must give a value for what is called the sentimental value, but the tenants must make their living out of dairy-produce, and sentiment is not a factor in that. Sentimental value, in other words, does not help these tenants to make more out of the land than it will produce. I will give a concrete example in the Forest Gate Estate. The owner of that estate, who is a lady, declared that on account of the delay in the negotiations in the purchase of the property she had lost the opportunity of buying an adjoining estate, and thereby of making £15,000, and the Court took the extraordinary step of giving her that £15,000 which admittedly was no part of the value of Forest Gate, but was simply to compensate her for the sentimental loss of not being able to buy another estate.

219. *Mr. Johnston.*] She proved to the Court that she had lost the £15,000?—To the satisfaction of the Court, yes. But I maintain it is a monstrous thing to play with public money in that way. The tenants on that estate have to make up that £15,000 out of the produce of their property. It is a public scandal, and I am here to condemn it with no uncertain sound. The best of the story, however, is still to be told. As soon as the transaction was closed the same lady acquired the estate for which she had received £15,000 from the Government as consideration for having lost the purchase of it. My authority for that statement is the late Commissioner of Taxes, Mr. McGowan. The point I wish to make out of that is that legislation should lay down some guiding principle for the determination of the value of estates bought for settlement. No such guiding principle exists at present. Parliament should determine it and leave the Court, as an administrative body, to carry out the will of Parliament. The Court is more than administrative now. It has a latitude in carrying out its own ideas which it should not possess, as to how value should be computed. I am only pointing that out on the assumption that the principle of land-settlement is admitted, but, of course, I would gladly see the Land for Settlements Act repealed altogether, believing it is going to land us in serious difficulties, financially and socially. The other point I wish to refer to is this talk of the limited freehold. I wish to show that the limited freehold is a specious name for doing an irreparable wrong to New Zealand. At this stage I should like to point out that a certain amount of ambiguity is created by the looseness of popular language. What is meant by freehold I presume is estate in fee-simple. We have any amount of experience to show us that the unqualified fee-simple is really the buttress of land-monopoly. If the

small freehold would have settled the land question, it certainly would have done so in Belgium, which is the most densely populated country in Europe, and is pre-eminently a country of peasant proprietors, but the labour difficulty is just as prominent in Belgium as in any other country. Those who have no land are in the same state of unrest as in other countries. Then, you can take the case of France. It is popularly supposed that France is a country of peasant proprietors. Nothing of the kind. There are few countries where landlordism runs riot to a greater extent than it does in France. But, as a matter of fact, to find concrete examples there is no need to go beyond our own country. The district of Taranaki is a district of small freeholds, and yet there is no district in New Zealand which displays the incipient evils of landlord and tenant more forcibly than Taranaki does. I say "incipient" advisedly, because when population increases, as I hope it will increase, the evil will appear in a much more aggravated form than it does now. I would like to point out at this stage that it is incorrect to suppose that the holders of lease in perpetuity are necessarily untaxable under the land-tax. That is a popular error which ought to be removed. It is quite correct that at present the lease-in-perpetuity holders pay no land-tax, but that is due to the fact of the £500 exemption under the land-tax. I can best illustrate the position by giving you a concrete case. Supposing a tenant acquires a lease in perpetuity the present value of which is £400; he will pay rent of course on that £400, but he will pay no land-tax until the unimproved value plus the value on which rent is payable exceeds £500. At the present time the system has been too short a time in vogue to allow the excess to be greater than the £500 exemption, and that is the reason why the holders of lease in perpetuity pay no land-tax. When later on the values have exceeded that £500 they undoubtedly will pay their quota. In this connection, by the way, I wish to point out a few facts regarding the effect of that £500 exemption, because it has an important bearing on the demand for the freehold. I have placed in the hands of each member of the Commission a parliamentary paper laid on the table of the House in 1902—B.—20A. From that return it will be seen that there were then 115,713 freeholders in the colony. Out of that total number there were 92,925 freeholders the value of whose individual holdings did not exceed £500. Then there were 10,136 who owned between five hundred pounds' and a thousand pounds' worth of land. That makes a total of 103,000 landholders, and 92,925 of them paid absolutely nothing because of the £500 exemption. I may add that their aggregate unimproved value is £11,000,000. The next number is 10,136 who are allowed to deduct the £500 exemption. You will find that 103,000 landholders own an unimproved value of £18,000,000, upon which practically no land-tax is paid. The colony, in other words, loses £70,000 a year land-tax, although we have to go to the expense of valuing that land. The next point I wish to make is this. There are about 23,000 Crown tenants in the colony. From these Crown tenants we collect an annual revenue of about £150,000 a year, which, of course, is a continually increasing asset. If we allow these men to acquire the freehold we, of course, lose that £150,000 a year, because being small landholders they will come within the £500 exemption. I noticed some time ago that Mr. Massey, speaking at Stratford, pointed out that the land-tax revenue would not suffer because if the Crown tenants got the freehold they would pay land-tax. That statement is absolutely incorrect. He must have forgotten about the £500 exemption, the effect of which would be if these Crown tenants got the fee-simple to deprive us of an increasing national asset. I suppose it will mean that the Customs taxation of the working-man will be increased to make up the difference. That is the usual thing when the Government want more taxation—to make the working-man pay for it. I should like to say at this stage that as far as the tenure is concerned I would not care as to that provided the public interests are conserved by collecting its proper revenue from the land. If the £500 exemption were abolished—and it ought to be abolished—and land-tax levied without distinction, I would not object to allowing Crown tenants to have the freehold because tenure does not matter very much. That is merely the shell, the essential thing is the kernel. I do most decidedly object—and I feel sure that the great bulk of the people of the colony would take that view if the facts were placed before them, which, unfortunately, is not the case—to a permanent asset of £150,000 a year being taken away as would be the case by granting freehold to the Crown tenants. Regarding Land Boards I think they ought to be elective just as Licensing Committees are elected by the people of the colony. One of the evils of the time is the tendency to centralisation and to bureaucracy. It is far better to decentralise administration even in the case of Land Boards. In 1892 the late Sir John McKenzie introduced a Bill to make Land Boards elective, and he declared that the Bill was a policy measure of the Government, but it was shelved and nothing more has since been heard of the measure.

220. On what franchise would you elect Land Boards?—On universal suffrage. The land belongs to the people of the colony. Of course, individual occupiers have the right to their improvements, but the fact remains that every citizen of New Zealand has an equal interest in the land of New Zealand.

221. What qualifications do you think a member of a Land Board should possess?—I would leave that to the people to decide.

222. But what is your opinion?—My opinion is that any intelligent citizen is fit for any public position, whether it is that of a member of a Land Board or anything else.

223. Do you not think that a knowledge of farming and conditions of land-settlement and a fair general knowledge of the land districts are important qualifications for a member of the Land Board?—No doubt they are useful qualifications, but it does not follow that because a man has a knowledge of farming he has also an absolute knowledge of the vicissitudes and troubles of back-block settlers. Take my own case; I think I may claim to have the greatest sympathy with the back-block settlers, and there is no one who more earnestly desires to see people settled comfortably on the land in happy homes. Why claim a monopoly of positions of that kind for the landowner? I may add that I was brought up on a farm, and I am even proud to admit that I have done "cow-spanking" in my time.

224. A man without experience would not be able to discriminate between essential and trivial matters simply through want of knowledge. You know that if a practical question were brought up before you you would be able to gather the bearings of it from your experience, which could not be

done unless you had that experience?—It is no use our labouring the point. My principle is “Trust the people.”

224A. *Mr. Paul.*] You have alluded to the fact that Mr. Mackenzie, when Minister of Lands, brought in a Bill to make Land Boards elective. Do you remember if they were to be elected on parliamentary franchise?—It is twelve years ago since I read the Bill, and I cannot remember what the franchise was, but I know that a number of members of the House objected to the franchise proposals in the Bill, and suggested that the local bodies should elect the members of the Land Board, but the Minister of Lands would not listen to the proposal, and the Bill was shelved. I cannot remember what the franchise was.

224B. A witness representing the Farmers' Union suggested that the members of the Land Board should be elected by the Farmers' Union?—They should have their say by all means, but they should not have the monopoly. You might as well allow the brewers to elect the Licensing Committees.

225. If the exemption from the land-tax were abolished, would not that remove it from the position of a class tax?—Yes, certainly. The present tax is a class tax, because out of the 115,713 landowners, less than ten thousand are free from the exemption. The exemption, however, does not really benefit the small holders, for it would be much better for them to pay more directly and less indirectly.

226. What in your opinion is the object of the Crown tenants in wanting the freehold?—I have mixed with a great number of Crown tenants, and, in my opinion, it is to a large extent an artificial agitation. The Crown tenants have grievances most decidedly, but the great bulk of their grievances are in connection with matters of administration, and in other matters in which they deserve sympathy of all colonists. For instance, in the back blocks there is the question of roads. I think that we have prematurely settled these back blocks, and what also strikes me is the destruction of our forests which this premature settlement involves. The real reason why these men are forced to go into the back blocks is that the best land in the colony is already in the hands of large landowners; we should put a heavy tax on their estates, and thus compel them to subdivide. That would obviate the necessity of so many men having to take up land in the back blocks, and lead the laborious lives they do.

227. Did you say it is impossible to limit the area?—I think that it is not necessarily desirable to limit the area; the best method is to put proper taxation on the land.

228. You are in favour of limitation, but you would obtain your object by means of taxation?—Yes, I would let a man own a countryside if he paid the colony proper compensation for doing so, but you would find that in practice he would soon subdivide rather than pay.

229. If the right of option were given, on what terms do you think it should be given?—If the option were given, the first thing should be the abolition of the £500 exemption, to which I have alluded.

230. You are a resident in a city. Do you know anything about the position of the city working-men?—Yes, and a very deplorable position it is. Although I admit the hardships of the back-blocks settler, still I would rather be a back-blocks settler than a city worker. In this city the working-man gives two days out of six to the landlord; that is the direct payment he makes.

231. Is it possible that if the option of the freehold were given, the rate of interest would rise?—No, I cannot see any connection between the rate of interest and the freehold; there may be a connection between the rate of usury, which is a very different thing from the rate of interest. There are usurers in this city who are doing a thriving business in that particular way.

232. Do you mean to advocate that no land should be taken compulsorily for settlement?—Yes; why take it at all if you can tax it?

233. You would take it by taxation?—Yes, let the owners do the subdivision.

234. Has not the effect of the present Land for Settlements Act been to induce landowners to cut up their land because of the fear of it being compulsorily taken?—No, the effect of the Land for Settlements Act has been to retard the cutting-up of large estates—many landowners holding on to their land expecting the Government to buy them out.

235. You have heard the case mentioned by Mr. Wilson, where the Government offered £6 an acre and the owner got £8 privately?—That is because of the land hunger. The general policy of the Land for Settlements Act must be to encourage squatters to pay the graduated land-tax rather than subdivide, in the hope that their land may be bought by the Government.

236. In that case, had the Government taken the land at £7 an acre, clearly the owner would have lost £1 an acre?—Yes, but that is an isolated case; I am speaking broadly with respect to the effect of the land-for-settlements policy, which must be to counterbalance the tendency of the land-tax—to induce subdivision.

237. You said something about the present system of valuation. Is it not generally understood that the present method of valuation is inequitable?—There are two sides to the question. A great deal depends on the capacity of the individuals who are appointed valuers, and I am bound to confess that, in certain cases, incompetent men have been appointed. I think, however, that the principle of the valuation system is perfectly sound, and the very best argument you can have in support of that view is the small number of cases in which the Assessment Court reduces valuations; and if you want another proof, you will notice the extravagant demand of the landowners when land is taken for settlement purposes. They will complain of the high valuation for taxation purposes, but when their land is taken under the Public Works Act they want sometimes four times the value of the land.

238. But so far as the Assessment Court is concerned, is not that looked upon unfavourably by the settlers?—Some settlers may regard it unfavourably.

239. You quoted figures to show the enormous amount paid by the Government above the taxation value when estates were acquired. Therefore, if their contention as to the methods of taxation is correct, and the taxing-value is too high, then your figures make out a stronger case than at first appears on the surface?—It shows that the inequity is against the people of the colony.

240. You would bring about closer settlement by taxation?—Yes, a graduated tax would do the whole thing if properly applied; it ought to be doubled at least for a start. It is a public scandal to-day to see some men holding 70,000 acres of splendid land, whilst some are crowded together in cities, and others forced into the bush.

241. You would object to the lease in perpetuity?—Most decidedly; that is not a satisfactory tenure; but if the £500 exemption were abolished, its bad potential effects would be modified very much. I want to assert and secure the common right of every citizen to the national estate, and we can do all that by taxation.

242. How is the poor man to get on the land under your proposals?—These large-estate owners will not give the same terms that the Government does?—If the land was made cheap, the poor man could look after himself.

243. But good land is not cheap?—No, because private speculators are allowed to make a monopoly of it.

244. I think that all rich agricultural land has always stood very high in the market. How is the poor man to get on to that land?—If the land was made cheap, as it would be by proper taxation, the people would put themselves there. There is too much paternalism in this age of ours—the Government doing things which the people could do for themselves if they were allowed the chance.

245. Do you think if it had not been for the present generous land laws so many settlers would be on the land at the present time?—I admit that the prosperity of this country is due almost entirely to the land policy, which has been enforced since the present Government came into office. The opening-up of so much land must relieve competition for work and benefit everybody; the same would apply, however, if the land had been thrown open under freehold tenure, because the opening-up of the land, no matter what the tenure may be, must immediately do good. It is the ultimate consequences that we must consider.

246. You know very well that if the land had been opened up on the freehold tenure it would mean the aggregation of estates?—But there are just as many large estates in New Zealand now as ever there were.

247. Will you tell me how you would put a man with little capital on land?—I would make the land cheap for him, and let him get there himself.

248. Supposing a man has only got enough money to purchase his stock?—The State can give him assistance in various ways, for instance, the Advances to Settlers Department is a great assistance to a settler, and there are other ways in which the Government could assist the settlers. I find on reading Mr. Foster Fraser's valuable work on "The Real Siberia," that the Russian Government practically gives land away in Siberia, and certainly land might well be given away in the first instance; that is done in Argentina.

249. That is paternalism?—That may be so, but it is not unduly interfering with private concerns. In 1895, as a matter of fact, I introduced the Free Land Bill, the object of which was to give land free for the first three years.

250. *Mr. Johnston.*] Do you know there are thousands of acres of land which is not good enough to give free to a man?—Yes; there are areas which would be little use for agriculture.

251. Will you tell us how you would put a man without capital on the land?—I simply would not put him there. To begin with, to speak exactly, we are all on the land. You are not treating the small man fairly in putting him on the land unless you put him where he ought to be. At present you put him away in the back blocks, entirely cut off from civilisation. How much better would it not be to compel the speculator and squatter, who holds the monopoly of land in the vicinity of the railways and cities, to relax his grip and make way for the people.

252. You have no way?—I have a most effective way. The first step is to compel these owners of large areas to let them go—that is to tax their lands.

253. You think it better that they should dictate any conditions they like to intending settlers, and let them get it in any shape?—Certainly I would not let them dictate conditions, because in that case they would not pay any taxation at all. They should have to sell the land for what it is worth, and that is the reason why they call taxation confiscation.

254. Practically, I have had a large experience of these settlers going on the land, and it is absolutely impossible for a man with a little capital to go on the land and make headway unless he gets it on such terms—that is to say, gets it on such a small rental that he may use his labour as his capital?—That is exactly what I want.

255. Under your conditions it is absolutely impossible?—I will put it in another way: The first consideration is to get land for settlement. We have not got very much left, because if you subtract the land which is, as you say, unfit to support a rabbit, the balance is not so very large. The best parts of the Canterbury Plains, the Waimate and Wanganui Plains, and the Napier lands, have been sold. They are not, however, by any means settled, and never will be until we apply scientific and just taxation. That is the best way of dealing with the problem. The first thing is to get the land.

256. You say the workers have it in their own hands to stop these high rentals in the cities: how would they do it?—By that I mean the workers have the power to do what they like, because they are in the majority; but unfortunately they are side-tracked by such fallacious proposals as by workmen's homes. It would be far better to levy taxation to compel speculators to cut up land and bring down the boom prices.

257. In Christchurch these workers' settlements are an absolutely unqualified success in area and so on, are they not?—That may be so far as the tenants are concerned, but the very fact of these settlements being started must enhance the value of all private property in the vicinity, and, therefore, you prejudice the interests of the tenants of private landowners.

258. I do not agree with you. Where these areas were taken up they were originally large areas, and when the centre of them is used for a purpose of this kind they do not really enhance the value

of any of the areas to any great extent. Wellington is an exceptional city, because there is only one outlet from it, and that is through the Hutt?—Yes, I admit it is exceptionally situated, but the principle applies everywhere. You select an area near Christchurch for workmen's homes, and you construct a railway to it as a convenience to the tenants, and as a consequence you enhance the value of all the land which it traverses. The making of electric tramways in Wellington, in the same way, has prejudiced the interests of the poor man by raising his rent.

259. *Mr. McCuichan.*] You would like to see the working-man get on the land?—Yes.

260. Do you think removing the £500 exemption in the land-tax would help you?—Yes.

261. You mentioned in connection with this return to which you referred, that there were 92,000 owners the unimproved values of whose properties was £11,000,000 sterling?—Yes. That is practically about £120 each.

262. If you remove an exemption of this sort would you place the burden on them?—£120 each is a little less than 10s. a year, and if you removed the duty on sugar it would give about the same measure of relief.

263. But the farmer is getting advantages in the shape of free education for his children in return for the taxation?—That is why I regard the exemption as wrong from a social point of view. I have not made that point quite clear, perhaps. At present a very large portion of the land-tax is being wasted. As the process of subdivision goes on the number of exemptions will increase, and so more and more land revenue will be lost. Notwithstanding the immense increase in land-values the land-tax revenue does not increase because of the exemption.

264. Is there not an exemption of £2,500?—Yes, but it is practically nothing. Five hundred pounds is the exemption that every landowner is allowed to deduct whose unimproved value does not exceed £1,500. Above £1,500 the exemption diminishes at the rate of £1 for every £2 of unimproved value, and hence the exemption disappears at £2,500.

265. If the exemption was abolished you would give the Crown tenants the freehold?—I say I would be prepared to consider it.

266. In drawing attention to the Irish tenants, you stated that quite lately by taking over their holdings they had loaded themselves with debt?—Yes.

267. Is that an accurate statement?—Well, the landowners have to be bought out, and the persons who advance the money for that purpose have to be reimbursed, and who pays it?

268. The tenant pays it? But how does he pay? I think it is sixty-five years they give the tenant to pay. Is that not putting him in a better position than he was in before?—Yes, anything is better than being a tenant at will. But you must remember that the tenant farmers of Ireland are, after all, six hundred thousand in number, and there are four million people outside them who have got to be considered as well.

269. Is there not a great deal of nonsense talked about "land for the people"?—No doubt there is.

270. And about "land being the inheritance of the people"?—Yes, but for all that the statement is a moral truth, which should never be forgotten.

271. It is the inheritance of those who will make use of it?—Quite so, and every one should have the chance to use it. Every man has the right to live, and without land he cannot live.

272. I have known people by thousands come out to this colony without anything but bone and muscle and thrift, and a desire to get on, and some of these people are worth thousands to-day. Are they not entitled to what they have got?—Decidedly they are; but I want everybody to get the same opportunity.

273. Do they not get the same opportunity?—No.

274. I think the opportunities for men getting on the land are better now than they have been for thirty years past?—That is quite true as far as legislation is concerned, but we have not the same area of land.

275. This feeling which has been got up between town and country is solely due to the fact that these trades-unions are trying to get for themselves the profits of the trades and the profits from the land also?—I object to that statement. I belong to no union, except that I happen to be a member of the legal fraternity; but I think the cry of town *versus* country is a most unfortunate one, and a most contemptible one. The man who would endeavour to make political capital out of it is a public enemy, who ought to be scourged out of public life. As far as I know this feeling between town and country has no real existence, but is engineered by a few journalists and politicians, just as the Hon. G. H. Reid, in Australia, is trying to flog a bogey into existence for his own purpose.

276. There is this feeling, but it is simply because the country people have no proper knowledge of the lives of the town people, and because the town people have no proper knowledge of the lives of the country settlers?—Hear, hear.

277. When you make the statement that you think the country people have a better life than the town people, I think you hold an erroneous opinion?—I did not put it quite that way: I admit that both have hardships, but if I had my choice of two evils, the life of the town worker and that of the back-blocks settlers, I would choose the latter, because in the bush you are able to get wood, and the town worker has got to pay £2 a ton for coal, and the country settler has also got some place to breathe in, while, even for breathing-space, the town worker has to pay some one who does not work.

278. *Mr. Anstey.*] I think you advocated taking these estates under the Land for Settlements Act, providing they are got at the valuation plus 10 per cent. above the land-tax valuation?—I said I am opposed *per se* to the principle of buying land for settlement, but if we admit the principle we ought to have a proper method of doing it. We had a method at the time the Cheviot Estate was taken, because the Land and Income Tax Act provided for it. It is not so now, and too much is left, as I have said, to the idiosyncrasies of the Compensation Court.

279. Would you approve of a recommendation that that should be done by adding 10 per cent. on taking any one's land?—I commit myself to no statement, but that Parliament should fix the conditions under which land should be taken.

280. That is rather vague. We want something more definite. We want to find when you are going to take this land at an addition of 10 per cent. Would you take it at a moment's notice?—Not necessarily at a moment's notice. I am dealing with principles, and not with details.

281. Are you going to take the crop as well as the land?—Certainly not, unless it is paid for.

282. Would you give twelve months' notice?—There must be some arrangement between the State and the owner.

283. I am afraid your 10-per-cent. margin is quite unworkable?—It was not unworkable in the case of Cheviot.

284. It would not suit me as a practical farmer?—But practical farmers are hardly concerned with that question. We do not buy farmers out, but large squatters.

285. You talk about the land simply making the absentee money-lender the owner of the land: in what way have you disadvantaged the community?—You may not immediately disadvantage the community; but by the fact of buying the land without extinguishing the loan the money-lender who advances the money has got a permanent interest in it.

286. Do you think that is worse?—It may not be worse, but it could be much better.

287. You tell us the lease-in-perpetuity settlers do not pay land-tax: are you aware that some of them do?—Yes; because the return from which I quoted is three years old.

288. You gave us to understand that so long as landowners were not paying land-tax they were escaping their share of taxation: do they not pay the ordinary Customs taxation of the colony?—I am afraid you misunderstood me. I maintain this: indirect taxation should be reduced and direct taxation should be increased.

289. Would you admit that these people are paying more than their share of taxation?—No, I would not. I say, as between the man who has five hundred pounds' worth of land and the man who has no land, there is no comparison whatever as regards competency to pay.

290. Are you aware that the man with five hundred pounds' worth of land already pays his share of Customs duties?—So does the man who has no land at all, and more than his share.

291. Now, you propose an additional land-tax for these people?—No; I propose alternative taxation.

292. Would you say there should be no exemption in respect to the income-tax?—No; because there is no comparison between land-tax and income-tax; one is a tax on unearned increment, while the other falls on earnings.

293. Your answer to another question has struck me as rather peculiar: you said in regard to the election of Land Boards that a man did not require to have any knowledge of farming in order to enable him to be a good member of a Land Board?—I said it did not necessarily follow that because he was a non-landholder he had not, therefore, a good knowledge of the wants of settlers.

294. Do you think that the steward or factor of an estate requires some expert knowledge of farming?—Most decidedly.

295. Do you think that would be attained by having him elected by popular vote?—Yes; if you admit the principle of trusting the people, as I hope you do.

296. Certainly not for a case like that?—You might as well say you would not elect the members of Licensing Committees by popular vote, because they would not all be hotelkeepers and brewers.

297. You say all these should be elected by popular suffrage?—Certainly.

298. You have seen lately that the Government have been obtaining the opinions of experts on the utilisation of electrical power: supposing you should put up to popular election the selection of these experts to pronounce an opinion on the question of electrical power?—That is a different thing altogether.

299. I do not think it is. You say the members of a Land Board should be elected by popular vote: how do people nowadays know the qualifications of persons for this purpose?—I think they know just as well as the Government do.

300. Do you think, supposing we had a popular election for members of Land Boards, that practical farmers would almost invariably not be the set of men who would be appointed?—Not at all; the preponderance of our population is not in the cities. The great bulk of the people are country residents.

301. Do you think there would be anything like the same number of practical farmers elected on the Land Boards under such circumstances as there would be of people who would not be experts or practical farmers?—I might get elected myself, and I consider that I would be a very good member of a Land Board.

302. Do you consider that the people should have the power to elect say, a committee of farmers for the purposes of taxing solicitors' costs?—Yes; I would be quite willing to trust myself in their hands. Farmers are just as fair as other people.

JOHN GRIFFITHS examined.

303. *The Chairman.*] What are you?—A modeller and carver. My wife holds a lease in perpetuity in the Paparangi Settlement, and we jointly hold the improvements. The area is 1 acre 3 perches, and we pay £3 per annum. It is an extremely satisfactory lease, and I am in a much better position than paying rent in the city. It is 600 yards from the station, and is really worth more than we are paying for it.

304. What matter do you wish to bring before the Commission?—The leasehold Act, as far as workmen's homes is concerned, is certainly very advantageous, because under it a workman can take

up land in one of these settlements and devote his spare time to improving it or when he is unemployed. He does not need to buy a Sandow developer if he has a spade and pickaxe and likes to do a bit of digging. Also, it gives a chance to a town worker like myself to serve a kind of apprenticeship on the land. He has not to pay a very high rent, and some day it may mean that he may become a permanent worker on the soil. Owing to the low rent I am in a position to unfairly compete with my fellow-workers in the same line in the cities, and I have a great advantage over them. I gather that the Land for Settlements Act was a provision to increase the number of settlers, and to allow the workers generally to participate in its advantages. It was pointed out by one witness that in France, where there were many small holders, the people were not very successful; but in the book on fields, factories, and workshops of France, it is pointed out that the artisans that hold land there are among the most prosperous workers in any country. And the same thing will apply to New Zealand. The institution of these workmen's settlements will also modify the evil effects brought about by the congestion in large centres. Many workers, whose trades run in certain seasons, can manage to put in their time on their little sections until trade gets brisk again, and I believe that the system will have the effect of minimising the number of unemployed. One witness said the drawback to the Land for Settlements Act was in regard to the borrowing of money to pay for this land; but I understand that when the estates are purchased it is done by the issue of bonds under the nation's credit.

305. What is your opinion on the question of land-tenure?—In my individual case the freehold would be very advantageous, because I could split up my section into two, and sell part of it for as much as the valuation of the whole section; but my duty to the community tells me that this increased value belongs to the whole community, and not to the individual who happens to be lucky enough to drop into it. You have had a number of witnesses in favour of the freehold, but they are not always honest in their convictions. For instance, Mr. Wilson, this morning, was very willing that the nation should part with the land, but he was not willing to part with any of his land if one of his employees wanted the freehold. The present land-values are going up in our settlement. The adjoining section to mine has been revalued. It was previously rated at £2 8s. per annum, and now it is rated at £3. I have heard on good authority, although I cannot prove it, that the present tenant paid £25 for the transfer without improvements. If the Government take over the Manawatu Railway-line the probability is that land will rise still higher in value, and the settlers there and in the Hawtrey Settlement will reap the benefit of the purchase of the line.

306. Have you any opinion to offer about the constitution of Land Boards?—I think it would be more to the State's interest that they should be elected on a universal suffrage. Regarding the ballot system, I think that system is a gamble, but if it is to be maintained landless men of experience, with families, should have the first chance in the ballot. If the system is done away with the land might be put up to public tender, but not necessarily the highest tender should get the preference. Men who have no land, but are experienced, should be studied first. At present the Land Boards have discretionary powers in this matter, and that should be continued even if the land is put up to public tender. The Land for Settlements Act has done a good deal towards bringing about an improvement in the settling of people on the land, but the question is not wholly solved yet. With regard to the Advances to Settlers there is a loan on my present section; it was there when we bought out the improvements. I know one settler on the Saunders Estate whose improvements ran from £450 to £500. He applied for £100 from the Advances to Settlers, but only got £50 or £70, and suffered a decided hardship thereby. He had to take that amount rather than nothing. It is a difficult thing to get money on the lease in perpetuity privately. The only way to raise money is to get it on your stock. In another case a settler on the Saunders Estate only got half of what he applied for. The shortness of money was generally given as a reason, but not by the office.

307. *Mr. Paul.*] Are the other settlers on this settlement satisfied with their general conditions?—Generally speaking, things are progressing favourably. Certain settlers want the freehold because they think they will get the increased value. Five or six are decided in favour of the leasehold, but they cannot get here in working-hours.

308. Do you think the fact that it pays is at the bottom of the freehold agitation?—I think so, largely, as instanced in Mr. Wilson's case.

309. *Mr. Anstey.*] You say they want the freehold so as to secure the increased value?—I think there are other reasons as well. Under the freehold tenure they can do what they like. There are not any restrictions in regard to raising money.

310. Do you find this section of yours too large?—It depends on how you utilise it. I do a lot of work on mine. There is one man who has 5 acres, and the improvements he has put upon it in three or four years would astonish you. He is a labourer. He works on Sundays, holidays, and in his spare time, morning and evening.

311. Is he a member of a labour union?—No, not that I know of.

312. Is it not against the rules of the labour unions that a man should work unlimited hours?—The point is, where does pleasure end and work begin. It is a very debatable point. When I am at work I often consider I am playing.

313. I suppose none of these workers consider it is play when they are asked to work three hours overtime for the boss?—That is a different point. One change of labour is rest.

314. Supposing he took him away from carrying sacks and asked him to haul the sacks along the floor?—In both cases it is hard labour; but the labour I allude to, in connection with the workmen's settlements that the men do in their spare time, is rather conducive to health.

315. Do you think it would be wise to extend these settlements, seeing you are so pleased with yours?—Yes, with revaluation.

316. You do not approve of the principle of the lease in perpetuity?—Not without revaluation.

317. In the case of these settlements do you think it would be wise to cut the sections up smaller

or larger?—I believe if you could extend the system close to the towns it would be very beneficial to the workers, and I would not make the sections less than $\frac{1}{4}$ acre.

318. Do you think the vast majority of workers have got time to look after an acre or two acres?—I do not think they would have the time in the case of a settlement like the Epuni Hamlet, which is so far away, but in the case of Paparangi it is an advantage to have a large section. I looked at a section at Epuni but came to the conclusion that I should spend nearly three hours in getting to and from my work.

319. Would it not be advisable to provide in the case of similar new settlements areas of $\frac{1}{4}$ acre, $\frac{1}{2}$ acre, and 1 acre, so that a man could take up the area he was able to work?—I think that would be a great advantage to the workmen.

320. Is there a demand for small areas in these settlements?—Generally speaking I believe the workmen would prefer that, but new settlements are taken up slowly.

321. One witness told us that the workmen preferred to stick to the towns and knock about theatres and music-halls of an evening instead of working on a section?—I do not think that is the case. A very limited number may be so inclined, but it is not the rule.

322. You think the majority would rather go out of the towns and carve out homes for themselves on these settlements?—I believe it.

HARRY MARTIN examined.

323. *The Chairman.*] What are you?—A market-gardener or nurseryman at Epuni. I hold 2 acres of lease in perpetuity and am paying £10 17s. 4d. a year. I was one of the original settlers, and have been there since the 1st August, 1901. The lease I hold is a fairly satisfactory tenure, but it has its drawbacks. I make a living off the section, but sometimes I take casual work in the winter. I had a little capital when I started. I have found the Land Board fairly satisfactory, but I think it should be an elective body subject to the public veto. The lease in perpetuity is fairly satisfactory, but requires to be modified so as to allow money to be borrowed on it. I would not prefer the right of purchase; the lease is the fairest thing for the community and the individual. It might be modified to allow the holder to borrow money from the Advances to Settlers, or to get larger advances than we can get at present. I hold the same views regarding the lease as Mr. Reese, who was before the Commission yesterday. I think he said that the leaseholder should be allowed to get the same amount on mortgage as a freeholder would obtain on the same amount of property. With regard to the residential conditions, it is only right if a man will not reside on his section in a settlement like ours that he should give it up, and another man should have the opportunity of living on it. Married people with families should have the same consideration. When the Epuni sections were first opened up there was not a great rush for them, and those who applied first got what they wanted.

324. Was your section loaded with any money for roads?—Yes, the same percentage as the rest, but people complained about the bad expenditure of the money. We have got a metalled road now, but as we live so close to the borough and have to pay heavy rates the settlers expect to get something more than they have got. We ought to have a good road, and the present road might be better. We are under the Hutt County Council.

325. You have some forty settlers there and should have some influence with regard to putting a member into the County Council?—The Epuni Riding is of large extent and you do not get much show as against the rest of the riding.

326. Have you any experience of the Advances to Settlers?—I have a small mortgage, but did not get half of what I wanted. I could get more now, I suppose, seeing that my improvements are greater.

327. *Mr. McCutchan.*] You want the lease in perpetuity to be made as good as the freehold?—Yes, as regards getting advances for making further improvements.

328. *Mr. Anstey.*] We were told yesterday with regard to the Epuni Settlement that the sections were too large?—They are not too large for my purpose, but the valuation has made the rates so heavy that with the rent it does not pay to market-garden unless one can afford to have glass houses.

329. It was suggested that the State should take the land over and put it into smaller areas, of course conserving the interests of existing tenants?—That would be a good thing.

LLEWELLYN GWILLIAM examined.

330. *The Chairman.*] What are you?—I am a gardener in Wellington, and I have lived in the district for twenty-five years. I reside on $\frac{1}{2}$ acre at the Hutt, and have 11 acres of land in other parts of the colony.

331. What is your view of the land-tenure in the colony?—The lease in perpetuity is the best tenure I know of.

332. Do you think people should reside on the land as a test of good faith?—Yes.

333. Do you think there should be restrictions as to cropping and so forth?—Yes.

334. Is there any point you wish to speak on?—I think that in the Epuni Settlement 15 per cent. of the areas are too large. I believe I thoroughly understand the working of land, and I find $\frac{1}{4}$ acre is quite sufficient for myself to work in my odd time.

335. *Mr. Anstey.*] Do you think there is anything in this cry for revaluation?—I believe in revaluation, certainly.

336. You do not believe in lease in perpetuity?—Yes, I do with revaluation.

337. It is the perpetual lease with periodical revaluation that you approved of?—Yes.

338. You think it is wise to insist on residence in all cases?—I was not speaking with regard to bush lands, but more with respect to workmen's homes.

339. Do you think it would be wise that there should be just one residence in respect to one section?—Certainly.

FREDERICK NEIL McVICKER examined.

340. *The Chairman.*] What are you?—I am a farmer holding 5½ acres under lease in perpetuity in the Paparangi Special Settlement, for which I pay £7 15s. per annum rent, and 4½ acres of private lease at Horokiwi. I am representing half of the settlers in Paparangi. We wish, if any alteration is made as regards the lease, that we should get the option of the freehold. There was a proposal a few weeks ago to create Johnsonville into a borough, and if that had been carried into effect our valuations at Paparangi would have been so increased as to very considerably handicap us. The sections in Paparangi are either too small or too large. If we could buy out our neighbours we could do something, but if that were not possible we would be blocked in getting from our land sufficient to pay our rates and taxes. The majority of us are against the co-operative system for making roads in the opening of settlement. When Paparangi was formed it cost the Government £3,000 to buy the estate, and when the settlers got on to it they were paying on £5,000, and we have only got a 12 ft. road and that is of rotten rock and is a great source of trouble to us in wet weather. I consider that workmen's homes should not be more than 1 acre in extent, which is quite enough for a man to look after.

341. Has the country done anything to your road at all?—The Government have made a grant of £50, but I am trying to block the local body getting that until we are assured that they will put fifty pounds' worth of metal on the road. With regard to the evidence given by Mr. Hampton on Tuesday, we think that the Trades and Labour Council are rather out of place in coming forward and speaking on behalf of the back-block settler. These unionists are accustomed to knock about towns having blocked streets and pavements, and those in the back blocks do not think any notice should be taken of those people. They do not know what the settler of the country has got to put up with. Many of the Paparangi settlers have been in the back blocks and know what it is to be there, and they are prepared to go back again, provided proper roads are made into the sections.

342. *Mr. Paul.*] Have you had any experience of the back blocks?—Yes, from Auckland southwards.

343. Do you not think it a good sign to see every citizen in the country taking an intelligent interest in the country's affairs, even though you do not agree with them?—I do.

344. Do you not think it is rather churlish to find fault with men coming before the Commission and who find fault with the tenure?—I do, but people living in paved towns should mind their own business on the matter of land.

345. Do you not think there is a phase of the question above that?—No.

346. Do you not think that there is any underlying principle in the land question?—I do not know, but my idea is that these people are interfering with questions they do not understand anything about.

347. Do you not ever express an opinion about things you have not been engaged in?—No.

348. Have you never expressed an opinion on anything that you never had practical experience of?—No.

349. What union were you connected with in Wellington?—The Boilermakers'.

350. *Mr. McCutchan.*] You have settlers in Paparangi who were settled formerly on the back blocks. What induced them to go away from the back blocks?—The want of roads.

351. What district was that?—The Forty-mile Bush.

352. They were *bonâ fide* settlers there?—Yes.

353. Are you desirous of going to the back blocks?—I want to.

354. On a place with no roads?—I will not say that, I will have a look round before I decide.

355. In your opinion has the opening-up of the back blocks been hampered by no roads in the North Island?—Yes.

356. You think that state of things should be remedied?—Yes.

357. Do you think the country is in a position financially to tackle this question of roading the back blocks?—Yes, I think it would be a great advantage to road the land first and throw it open for settlement after.

JAMES BURNS FINLAYSON SUTHERLAND examined.

358. *The Chairman.*] What are you?—I am Crown Lands Ranger for the East Coast - Wellington District.

359. How many lease-in-perpetuity tenants are in your district?—There are about 1,125 tenants under all tenures. There are thirty-nine settlements, including village settlements, there are eighteen farm homesteads, sixteen village-homestead special settlement, and village homestead under lease in perpetuity. There are three under the Land for Settlements Act, and there are two improved farms.

360. With respect to the farm-homestead association, how are they getting on?—They are all practically well settled. Most of the original settlers have gone out, and new settlers have come in. They are all well improved. Generally they have all sold out with advantage, but some of them found they could not carry on, and they have gone back to the towns.

361. Are they a good class of settlers who are now occupying the land?—Yes.

362. They were restricted to 320 acres each?—Yes.

363. I suppose that area is quite enough?—In some cases it is not. Where the land is poor they could do with putting two holdings together, and in some places three holdings.

364. You have got three land-for-settlements areas in your district?—Yes; Langdale, Longbush, and Tablelands.

365. How is Langdale getting on?—It is supposed to be one of the greatest successes under the Land for Settlements Act. The improvements made are good, and the settlers seem satisfied with their holdings.

366. How is the road there?—There is a fair summer road.

367. Are there any obstacles or difficulties which the settlers have to labour under?—The greatest difficulty is the want of road access in some cases, but there are very few settlers who have not some access; sometimes they have a fair bridle-track, but they naturally desire a road. The want of road access is a great drawback, no doubt.

368. *Mr. Paul.*] How far do roads affect settlement?—If a settler takes up bush land and has no access to it, he is at a great disadvantage in taking his goods in and out of his homestead.

369. Are there many in that position at the present time?—There are very few in my district at present. There has been a lot of roading done during the last two or three years.

370. Are any of the settlers asked to reside before they are given access to their sections?—Yes, in some cases.

371. And, as a general rule, is residence insisted on without access being given?—Not without good access; but that may be a bridle-track. If a settler has no formed road of any kind he is not asked to reside.

372. Have any of the lease-in-perpetuity holders made any complaints to you that they are restricted in their borrowing?—No, I cannot say that they have, but I have heard an occasional report that they could not get what they wanted.

373. As a practical man, are there any duties that you are obliged to carry out which you would resent if you were a settler?—No, I cannot say there are.

374. You are not called on to demand anything from a tenant which you would not comply with if you were a settler?—No, not if I were placed in the same position.

375. *Mr. Johnston.*] With reference to Langdale, what is the carrying-capacity of the land there?—About one and a half sheep to the acre, they carry more than that on some holdings, and that is with cattle and horses; there are twenty-three settlers there.

376. What is their road like?—They have a good summer road, there is no heavy metal on any of it.

377. For how many months of the year is the Pongaroa Road impassable?—Sometimes six months, but it has been passable for wheeled traffic for nine months; but during the last two years it has not been so bad.

378. Has it been impassable for a long time this winter?—It has only been closed since the beginning of May, or end of April.

379. How do the settlers do?—They pack their goods in.

380. How long has this road been in existence?—I think it has been in course of construction for eleven years.

381. How many settlers are in the block affected by this road?—I suppose it affects about five hundred.

382. They are affected in respect to wheel traffic for six months of the year?—Yes.

383. What is the length of the portion of the road that is affected in that way?—The part that is really bad is about four miles.

384. Who is responsible for the position of the road?—I think the traffic on the road is responsible.

385. What local body?—It has been a Government road, but I think the Akatea County Council has taken it over recently.

386. Generally speaking in the settlements you have got to do with, are the tenants prosperous?—Yes, the great majority of them seem prosperous.

387. Are they satisfied?—Yes, they seem very well contented.

388. Do they express any satisfaction as to their tenure?—I might say that recently they expressed a little discontent owing to what has been said as to revaluation and the Fair Rent Bill.

389. It is the Fair Rent Bill that has caused discontent?—Yes.

390. Previous to that they seemed satisfied?—Yes.

391. What is the average holding at Pongaroa?—200 acres.

392. Can a man make a good living out of 200 acres and keep a family?—In places he can, but in other places that area is too small. On the rolling country a man ought to do well on 200 acres.

393. Are they doing well?—The settlers on the land now are all fairly prosperous, and the land is more improved.

394. Is the ground well grassed as a rule?—Very well grassed.

395. What is the class of improvements in the way of buildings?—Not so good—mostly slab whares.

396. What does that refer to?—All through the district. Within the last two years, however, two sawmills have been started. They get the timber out cheaper than they do in town, and buildings are improving in consequence.

397. You heard some evidence given at Pahiatua the other day?—Yes.

398. Is that to your own knowledge substantially correct?—Some of it was not.

399. Whose evidence was not correct?—Some of the statements made. Of course, it is correct in a sense.

400. Only half-true?—True to a certain extent. When they said they had no roads they had bridle-tracks, which have been there for years.

401. Were you there when that Chapman case took place?—No; I do not know anything about the Chapman case, it was before my time.

402. Are there any of the settlements in your district that have been a failure, or a partial failure?—Not that I know of.

403. They have all done well?—They have all done fairly well.

404. Have many transfers taken place?—A good number.

405. At an advance over and above the improvements?—Mostly at an advance.

406. At a fair advance or an exorbitant advance?—Far from an inflated advance.

407. *Mr. McCutchan.*] With reference to this road survey and the Pongaroa settlers: you said it was repaired with hard papa rock?—A portion of it was.

408. Is it enduring?—It is about three years since it was put down. It tears up in very bad weather. They have only about two miles of it down.

409. Is it rock that melts down under the action of the weather?—Yes, it is hard papa.

410. Do you think that is an economical way to repair the road? Is it not a makeshift on account of inadequate money?—I would not like to say that. It is the only stuff they have, and they are compelled to use it.

411. Why do they not burn it?—They are burning where they can get any particular place.

412. Will this particular papa not burn?—They have not tried it.

413. Is it not a great drawback that there are no adequate funds with which to do this work and place the road under the local body instead of patching it from year to year, and completing nothing?—Yes, it is a big expense that way.

414. Do you think in a case of Crown tenants that Government supervision should cease as soon as the tenants' improvements exceed in value the interest of the State in the sections?—No, I do not.

415. Where, say, the tenants' improvements are in the proportion of four-fifths of the total value: do you think then supervision should cease?—No, they know the conditions under which they take the land up. Some tenants are in a position, perhaps, to put on a portion of the improvements during the first year.

416. That is not the point. The point is, are any alterations desirable in the present regulations in the interest of settlement? Do you think State supervision is necessary when the tenants' interest is four or five times as great as the interest of the State?—Not in that case. The tenants will look after their own.

417. Do you think the tenants resent supervision?—In some cases, not often.

418. In the case of men who have made substantial improvements and are practically the best tenants?—I cannot say that.

419. It is not in the case of discontents that they resent supervision?—Mostly men who are generally behind.

420. You said that the Akitio County Council had taken over this road recently?—To the best of my knowledge; I would not like to say definitely. I know there was one county that refused to take over a portion of the Alfredton Road, and the Akitio County Council may have done the same.

421. You know that the county is practically not consulted and that the first intimation is that the road is within its boundary. Do you think that County Councils should have a voice as to whether the time has arrived for taking over these roads?—I suppose they should. They have got their own interests to look after.

422. You said there were more lease-in-perpetuity than occupation-with-right-of-purchase tenants round Pongaroa: is that because there is not option?—Yes, because most of the settlements were settled under lease-in-perpetuity conditions.

423. If they were settled to-day and the option was given, which tenure do you think would be the better?—As far as the present feeling goes, I think they would take it under the right of purchase.

424. Some of these sections were forfeited—some of the original lease-in-perpetuity sections were forfeited, and they were put up again, in many instances at a reduced price, and with the option. Do you think that was fair to the original settlers who had no option?—No, it did not seem fair; but I suppose it was according to the Act. These farm-settlement associations were banded together and compelled to take the land up under lease in perpetuity; they had no option.

425. In justice to the tenants who were under the hardship of taking up the lease in perpetuity and had no option, who forfeited their sections, and have since taken them up, do you think they should have the right of option now?—No.

426. For what reason?—They entered into a bargain, and they should keep it.

427. Do you not think it gives rise to discontent when there is such great inequality of treatment introduced, as in these cases?—It gives rise to a certain amount there is no doubt.

428. Has it not caused a great deal of heart-burning amongst the settlers in this district?—Yes.

429. Do you think the State would suffer if it gave the right of option now?—I am not prepared to say that.

430. *Mr. Anstey.*] Do not these people who are now on the land have the same option as those who forfeited the sections: do they not know when forfeiting that they can take up under the new tenure?—No, the original man had no option.

431. Had they not the option of surrender?—Yes, they could have surrendered and come under the same conditions as the others.

432. Is it not a fact that some of these forfeited sections are held now by the original men?—Yes, they forfeited and then reselected them.

433. Some of them did not accept this opportunity?—Yes, some of the settlers would not surrender as the others did.

434. Do you think there is any hardship in the residential condition as now administered by the Board?—Well, I could not say there is any hardship in it.

435. Do you think it would be wise that these residential conditions should be further relaxed than they are?—Yes, in certain cases; to suit different cases they should be relaxed.

436. Should they be further relaxed?—No, the Board has discretion now to exempt residence if a man has no road.

437. They have sufficient discretion, or are they obliged to break the Act?—I think they have got

sufficient now. They can extend residence under the conditions, if the circumstances are such that a man cannot get to his section, they can grant him a term of exemption.

438. You think it wise not to insist on residence conditions except for very grave reasons?—I should certainly insist on residence in a case providing the man had fair access to his holding, and was in a position to go there.

439. You told us this Pongaroa Road was impassable. We were told that the road there from Pahiatua was metalled for four or five miles?—Some four or five miles of it was metalled.

440. Is it not a fact that the mails stopped running?—Yes.

441. Then it is not passable for four-wheeled vehicles?—Oh, you can get a vehicle along.

PETER HEYES examined.

442. *The Chairman.*] You are Superintendent of the Government Advances to Settlers Office?—Yes.

443. How long have you been in that position?—Since last November.

444. But you have been connected with the Department for a long time?—For seven or eight years previously I had been Inspecting Accountant.

445. Well, in the course of our travels we have heard a great deal about your Department, and about settlers' application for loans, and so on, and in many cases this question of loans has been the subject of complaint. Some witnesses have said that it takes a very long time to go through the various forms of application before they receive a final reply, which sometimes is in the nature of a total refusal, and in many cases that have come before us, the witness said a part if the amount only was offered—perhaps half of what he really required. We have made inquiry from some of your officers, and they have all told us that the Department used every means to satisfy the settlers' demands as quickly as possible, and give them the amounts they applied for, subject, of course, to valuation and report. But in some cases it does seem a very long time; in some cases four months from the time of application until the applicant has got the Department's final reply, and we thought it was only our duty to make you aware of these facts?—As far as the office is concerned there is no delay whatever. The principal causes of delay are in cases mostly where the valuation has been delayed. In other cases, when the solicitors found the titles defective, and solicitors requiring to be satisfied causes delay; and in other cases the delay in receiving the consent from the Land Board, but this has much improved of late. In some cases the settlers themselves have been the cause of delay. One instance that occurred to me happened just recently. Some of the applicants are not good correspondents, and they do not reply to letters promptly. There was one instance particularly that I should mention to the Commission. An application was made on the 25th January last, and an offer was made of an advance to him after the application had been received, but the applicant did not reply accepting the same until the 6th March; then we instructed the solicitor, and wrote to the applicant telling him what to do, and the deeds were not in the hands of the solicitor until the 12th April, although the Department had notified the applicant on the 8th March previously what he had to do.

446. Was he far away in the back blocks?—Yes, in one of them away from the centres of population; still, any of them can reply in a day or two.

447. You were making up a return for us were you not?—Yes, I have here a statement showing the amount applied for, the amount granted, and the security offered. In going over that, I found that about 5 per cent. of the applications were for amounts from 100 to 300 per cent. of the value of the security offered. Some of the applications were for sums three times above the value of the security they had to offer. [Return put in.]

448. Of course, there was a refusal in that case?—Yes. I also found on going through the list that about 25 per cent. of the applications were for amounts from 75 to 100 per cent. of the security offered.

449. You only lend up to two-thirds of the value on the freehold?—Yes, on instalment mortgages of first-class agricultural land, and three-fifths on fixed mortgages and other instalment loans, and on the leasehold 50 per cent. of the realisable value of the lessees' interest in the lease.

450. That is, about 5 per cent. of the applications were for amounts from 100 to 300 per cent. of the value of the security offered?—Yes, and about 25 per cent. asked for from 75 to 100 per cent. of the value of the security offered. Some exceeded in their applications that amount, but these are notorious cases of asking for so much more than they had security to offer. That list gives every case of application, the amount applied for, the amount offered, and the amount of security offered.

451. I do not see a single case that has got an advance up to the limit?—Oh, yes, there is a great number. In the early days under the late Superintendent they were very chary of lending up to anything like the amount authorised by the Act, as the late Superintendent and the Board were afraid of it. But recently we are lending up to the utmost limit of the Act in every case where the report is favourable; on the leasehold 50 per cent. of the realisable value of the lessee's interest in the lease, two-thirds in the case of instalment mortgages on first-class agricultural land, and three-fifths in the case of fixed mortgages and other instalment loans for freeholds.

452. You give the "Granteds" but not the "Refuseds"?—There is a statement showing the aggregates.

453. I see that about one-fourth have been refused?—A great number did not apply for anything like 25 per cent. of the value of the security offered. It brings down the average well under the margin. Quite a good number applied for very much less than they were entitled to receive on the security.

454. *Mr. McCutchan.*] For what period is this list?—It covers the whole period from the commencement.

455. *The Chairman.*] When did it begin?—It extends from January, 1895, to the present date.

456. Ten years, practically?—Yes.

457. I observe that rather more than one-fourth of the applications have been actually refused ?
—No; about one-sixth.

458. And that the average loan has been a little over £100 in the case of applications for £110 ?
—Yes. We are making a practice now of lending up to the full limit the Act allows if the report is not unfavourable. We get some unfavourable reports. These are taken into consideration and the offer is made accordingly.

459. Just tell the Commission the process the application goes through from its inception ?—The applications are generally made to the local office or the District Valuer. If the local office is not convenient it is sent to the Head Office direct. The valuer is instructed to make the valuation, and his report is received with the application, and comes before the Board at the next meeting. The Board meets weekly, and no applications are left over from one week to another. All the applications received within an hour of the Board meeting are put before it, dealt with on the spot, and the offer is made according to the decision of the Board. When the full amount is granted, or on receipt of advice that an offer for a reduced amount has been accepted, the office Solicitor is immediately instructed to prepare the necessary mortgage, and upon receipt of his certificate that the mortgage has been executed the loan-money is promptly remitted to the Solicitor's official account at the Bank of New Zealand and is available for payment.

460. Does it not require to go to the Commissioner of Crown Lands as well ?—We generally, as soon as the application is received, send to the Crown Lands Office for their consent and report. That has been one source of considerable delay in times past, but now they are very much more expeditious.

461. All this preliminary work will be done before you come to a final decision ?—Yes. In some instances, perhaps, the valuer has been sick, in another case he has been away in another district, and some delay occurred in consequence.

462. Is there not another matter that causes delay : is not the valuation fee, in some cases, quite inadequate for the amount of the application ?—That is not a difficulty.

463. May not this happen : supposing there is an application from a distant part of a province, and the valuer is unable to deal with that one application until there are other applications from the same locality, so that he can report on them at the one journey ?—I do not think this is so, because others may not be received, and it is impossible to say when others may be received. That is a Valuation Department matter. I have no control over the Valuation Department at all.

464. *Mr. Paul.*] Some witnesses before the Commission have said that your Board discriminates between the lease in perpetuity and the occupation with right of purchase : is that so ?—No, decidedly. It is incorrect.

465. Are the advances governed by the amount of money the Department may lend annually ?—For about twelve or eighteen months the amounts were restricted to £500, owing to the scarcity of money. That was until quite recently. They have never been entirely refused. I have seen it stated that it was owing to there being no money. That was never the case, but the amount was limited owing to the restricted money-market. In January of last year the Cabinet desired the Board to give preference to those who wanted up to £500, and the Board restricted the lending to any amounts up to £500.

466. Supposing there was a great demand for money from the Advances to Settlers Office, could the office supply that demand at present ?—We have raised the limit to £1,500 or £2,000. The Act allows up to £3,000, but the funds have not been sufficient to keep up to the full limit allowed by the Act, but we have raised it during the last four months from £500 to about £2,000. As money gets a little easier we are extending the limit from time to time.

467. Is the total amount the Board may lend in one year fixed by Act ?—It was at first, but it is not so now. There is no limit now.

468. A valuer made the suggestion the other day, regarding the matter of loss of time, that when a settler required a loan for the purpose of purchasing stock it would be good policy for him to apply for it before he wanted it. This valuer said that that would get over the difficulty. Do you think it was a good suggestion ?—No doubt the settler left the matter to the last moment and then expected to get the money within the next day or two.

469. Yes, that was borne out by the official evidence ?—No doubt it is so.

470. There has been a great demand made to the Commission that the valuation fee should be returned if the loan was not granted ?—We do return it if the work has not been done ; but where the work has been done I do not see why the valuation fee should be returned. In some cases we have found, on the face of the application, that there would not be anything like the security to justify the loan, and so we have returned a letter saying that there was no prospect of the applicant getting anything like the amount asked for, and unless we heard further we would return the fee and go no further in the matter. But where the application is received and the valuer has been instructed to report and has gone to the expense of three or four times the amount of the fee I do not see why we should return it.

471. The settler generally wishes to know what his valuation is : is there any objection to your office giving him that information ?—No. Generally the valuers, if there is any one on the place at the time, give them an idea of what their valuation will be, but they do not give them the full report, which is confidential.

472. Would there be any objection to giving the settler the amount of valuation ?—I do not see any difficulty ; we invariably do this.

473. Of course, you know that at present the valuation for taxation purposes and the valuation made for the granting of a loan do not coincide ; there is a great difference ?—I do not know about a great difference ; there may be a difference in some cases.

474. The settler contends that the difference is always against him when he requires a loan : is that correct ?—I do not think that is correct. I think it is invariably the other way.

475. Settlers have urged very grave complaints against the Board in this way : They have applied for a loan of £200, and the office has made a valuation and offered them only £100. The settler has refused that, and it is said he has gone to a private money-lender and got £300 without any trouble ; but, of course, with the drawback that he has to pay a big interest. Is that complaint justified ?—Very often there is collateral security given over the stock and other things to the private money-lender. He takes a mixed mortgage of stock and land and charges a higher rate. I knew such a case, which happened a few months ago, where the settler had been paying 8 per cent. on a mixed mortgage.

476. That is something your Department cannot take ?—We cannot take any chattel securities.

477. Have you any knowledge, directly or indirectly, of loans having been obtained from your office for large sums and put out again in smaller sums by the settler obtaining the money at a higher rate of interest ?—I do not see how that is possible.

478. We have had evidence to that effect, but, unfortunately, evidence is not proof in all cases ?—There may be cases where a man has been entitled to receive a large sum and does not require it to spend, and he may let it out to his neighbours.

479. Of course, there is no possibility of your checking that ?—No ; we could not possibly prevent it.

480. If he made a genuine application, and had the security, it would be the duty of the Board to advance the money ?—We must advance it to any person who applied, so long as the security is there and there is nothing against the application. If the report is favourable and the security is there we must grant it.

481. Can you see any reason why the Board should discriminate in favour of the occupation with right of purchase as against the lease in perpetuity ?—I do not see any.

482. Latterly the Board has been administering the Act more liberally, has it not ?—Yes. Under the present policy the Board is doing everything it possibly can to fairly help the settlers. We are doing that as far as we can within the limits of the Act.

483. *Mr. Johnston.*] We have had complaints in evidence respecting the action of the Department in refusing applications for loans, and I think it is only right you should have the opportunity of presenting the Department's reply to those complaints. Have you seen those complaints ?—Yes ; I have watched the newspaper reports. I have the reports of the cases here and also my replies, which I will read :—

G. R. Hilton, market gardener, said, at Invercargill, he had been offered by the Land Board a loan of £75 on improvements valued at £235, and he had had to get the assistance of a Minister of the Crown to make the Board offer more. There followed a long catalogue of trials, culminating in the giving of a mortgage to a private lender over the improvements because the Land Board would not give enough, and he was told that he would have got more if he had had the freehold. Witness's opinion was that there was a general feeling of dissatisfaction amongst the settlers round about him at the disabilities under which they laboured, by reason of their being leaseholders, in the matter of obtaining loans. Incidentally, witness mentioned that from his own experience as next-door neighbour of freeholders, he was of opinion that leasehold land, as a rule, was far better cultivated than freehold land. Witness, when seeking for a loan, had been told by a lender that he would have given him £200 on his house had he had the right to the freehold, however remote. In explanation of certain views of his own, witness said he thought the Government was so impoverished that it had to make a big show with the valuations in order to raise money.—In this case an advance of £100 was asked for upon a perpetual-lease interest in 10 acres situated in the Seaward Bush Township. The improvements comprised four-roomed house valued at £190, clearing (5 acres) £15, and 30 chains fencing £15, total £220. A loan of £75 was offered and accepted. I may say that the Board is entirely independent and free from Ministerial influence. The Minister has a seat on the Board in order to represent the views of the Government on questions of policy, &c., when necessary, but does not exercise any preponderating influence in respect of advances made by the Board. Advances are made solely at the discretion of the Board, 50 per cent. of the value of the lessee's interest on the valuation of the Government District Valuer being the limit, which may not be exceeded by the Board. The decision in every case is arrived at after a very careful consideration of the valuer's report, and of a variety of circumstances surrounding the application. In addition to ascertaining the extent and character of the improvements, management, condition, and quality of the land, whether the rent is paid up, and whether the annual payment is considered by the lessee as satisfactory, there are the prospects, general character, and financial position of the applicant to be considered, and it is safe to say that every resolution of the General Board in respect of an application is regulated by the amount which a sale by public auction of the relative security may be estimated to realise, as well as by the risk of any loss. Crown tenants, generally speaking, seem to ask for more money than they expect to obtain, and not infrequently do they apply for advances exceeding the capital value of their holdings. For the classes of security upon which the Department is authorised to lend money I will refer to the pamphlet issued by the Department :—

“The Government Advances to Settlers Act, 1894,” provided for the lending of money to settlers on the security of land in the colony other than urban and suburban land. Under the amending Act of 1899 these provisions have been extended so as to include urban and suburban freehold land, and so make it eligible for loan purposes. The following explanatory memoranda are issued with the view of placing before the public the chief provisions of the original Act of 1894 and the various amending Acts.

1. All communications to the office should be addressed as follows, and when so addressed will go free by post : “The Superintendent, Government Advances to Settlers Office, Wellington, New Zealand.”

2. The business of the office is the advancing of money in New Zealand on first mortgage of lands and improvements held under the following classes of tenure, free from all encumbrances, liens, and

interests other than leasehold interests, that is to say : (1.) Freehold land held in fee-simple under "The Land Transfer Act, 1885," or freehold land held in fee-simple the title to which is registered under "The Deeds Registration Act, 1868." (2.) Crown land held on perpetual lease under "The Land Act, 1885." (3.) Crown land held under Parts III. and IV. of "The Land Act, 1892." (4.) Crown land held on lease as a small grazing-run under "The Land Act, 1885," or under "The Land Act, 1892." (5.) Crown land held on agricultural lease under "The Mining Act, 1891." (6.) Crown land held on lease (not being for mining purposes) under "The Westland and Nelson Coalfields Administration Act, 1877." (7.) Native land held on lease under "The West Coast Settlement Reserves Act, 1881," or under the Act of 1892. (8.) Land held on lease under "The Westland and Nelson Native Reserves Act, 1887." (9.) Land held under "The Thermal Springs Districts Act, 1881." (10.) Educational and other reserves which are subject to the provisions of "The Land Act 1877 Amendment Act, 1882," by virtue of Proclamation made under section 50 thereof, or "The Land Act, 1885," by virtue of Proclamation made under section 237 thereof, or "The Land Act, 1892," by virtue of Proclamation made under section 243 thereof, and are held on perpetual lease or lease in perpetuity, or on deferred-payment or small-grazing-run systems. (11.) Crown land held by license on the deferred-payment system under Part III. of "The Land Act, 1885." (12.) Land held under lease from a leasing authority, as defined by "The Public Bodies' Powers Act, 1887," and providing for the payment by the incoming tenant of valuation for improvements made upon the land, whether by the lessee named in such lease or any former lessee as tenant. With regard to classes 10 and 12, a lease is not eligible if it provides for absolute forfeiture (without compensation) for breach of conditions, or if on the determination of the lease compensation is to be allowed for certain improvements only.

3. Mortgages are granted either on the instalment or the fixed-loan system (fully described hereafter), and the margins of security required by the Act are as follows : (1.) On all freeholds (other than urban or suburban) three-fifths of the value may be advanced either on the instalment or fixed-loan system : Provided that in the case of first-class agricultural freeholds instalment loans may be advanced up to two-thirds of the value. (2.) On leaseholds (other than urban or suburban) one-half of the value of the lessee's interest in the lease may be advanced on the instalment system. No loans are granted under the fixed-loan system on leaseholds. (3.) On urban and suburban freeholds, loans are granted on the instalment system only, and the amounts of loan are limited as follow : (a.) On urban freehold on which buildings exist, three-fifths of the value of the land, plus one-half the value of the buildings, may be advanced ; (b.) on suburban freehold on which buildings exist, one-half the value of the land, plus one-half the value of the buildings, may be advanced ; (c.) on urban or suburban freehold on which no buildings exist, one-half the value of the land may be advanced, but on such security no loan shall be granted except for the erection of buildings on the land : the loan to be advanced by instalments at the discretion of the Board, as the erection of the buildings proceeds.

4. "Urban land" means land which is situate in a borough having a population of at least 2,000 inhabitants and is not used for farming, dairying, or market-gardening purposes. "Suburban land" means land which is situate in a borough having a population of less than 2,000 inhabitants, or in any town, or in the vicinity of any town or borough, and is not used for farming, dairying, or market-gardening purposes. Lands situated within towns which are used for farming, dairying, or market-gardening are treated in accordance with paragraph 3, (1), (2), hereof. The right of determining what land may be considered "urban" or "suburban," or "first-class agricultural," is imposed by the Act on the General Lending Board.

5. The security which the applicant offers for the loan must consist of one or more holdings of the several classes of tenure mentioned in the foregoing paragraph 2, and must, of course, be of the necessary value ; and, if the security is leasehold, all the covenants and conditions of the lease, including the payment of rent, must have been regularly complied with. Crown lessees should note that "The Land Act, 1892," provides that leases under that Act must be at least twelve months in existence before they can be mortgaged.

6. Any person desiring an advance should make a written application on the form provided for the purpose, a copy of which can be obtained from any Postmaster in the colony. The Postmaster will also supply an envelope in which the application may be forwarded free of postage, and will afford to the applicant any explanation which may be required respecting the filling-in of the application.

7. In the case for an application for an advance on the security of an interest in land held under a lease or license issued from the Lands Department (and belonging to one or more of the classes of tenure numbered 2, 3, 4, 5, 6, 9, 10, 11, in paragraph 2 hereof), a notice of the application must be forwarded to the Commissioner of Crown Lands for the district in which the land is situated. The requisite form and an envelope for forwarding it free of postage may be obtained from any Postmaster in the colony.

8. No loan of less than £25 or more than £3,000 can be granted, and in the case of "urban" or "suburban" lands the maximum loan is fixed at £2,000. All applications must be accompanied by a valuation fee according to the following scale : On an application for a loan not exceeding £100, 10s. 6d. ; exceeding £100 but not exceeding £250, £1 1s. ; exceeding £250 but not exceeding £500, £1 11s. 6d. ; exceeding £500 but not exceeding £3,000, £2 2s.

9. If the applicant has already obtained any advance under this Act and is desirous of obtaining a further advance, either on the same security or on a separate security, the amount of the application, added to the amount of the advances already obtained, must not exceed the limit mentioned above—£3,000 for farming and £2,000 for urban or suburban lands.

10. Mortgages granted on the fixed-loan system may be for any period not exceeding ten years, and the principal is repayable at the end of the term. They may also be repaid in whole or in part on any half-yearly due date during the term, as explained hereafter. Interest at the rate of 5 per cent.

is payable half-yearly, reducible to 4½ per cent. provided payment is made not later than fourteen days after due date and no arrears remain outstanding.

11. Mortgages granted on the instalment system are repayable by seventy-three half-yearly payments of principal and interest combined. They may also be repaid in whole or in part at any time. Interest is charged at the rate of 5 per cent., reducible to 4½ per cent. provided payment is made not later than fourteen days after due date and no arrears remain outstanding.

12. Every half-yearly instalment, except the last, is at the rate of £3¾ (less the rebate of interest in case of prompt payment) for every £100 of the loan.

13. The mortgagor, under the instalment system, may pay to the Superintendent at any time, and under the fixed-loan system on any half-yearly due date, the whole balance of principal owing with interest to date of payment, and obtain a discharge of the mortgage on payment of the fee prescribed for such discharge.

14. The mortgagor may also from time to time pay to the Superintendent, in addition to the half-yearly payments, sums of £5 or a multiple of £5, and in the case of fixed loans such deposits will be applied in reduction of the advance, and interest will be charged on the balance only; or, if the mortgagor so directs, such deposits will be held on his behalf and applied in payment of the half-yearly instalments of interest as they fall due. In the case of an instalment loan, money paid in advance by a mortgagor may be applied in one of the following methods, according as he directs: (a.) It may be held on his behalf and applied in payment of the half-yearly instalments (consisting partly of interest and partly of principal) as they fall due, until the deposit is exhausted. (b.) It may be applied at once in payment of as many future half-yearly instalments of principal (but not of interest) as it will cover, and, as far as such instalments are concerned, the corresponding interest will not be charged. On the next half-yearly date, however, the mortgagor will be required to continue his payments as before, the advance payment having the effect of reducing the period (thirty-six years and a half) during which he would have to pay such instalments. For instance, a mortgagor has a loan of £100: On the due date of his eighth half-yearly instalment he pays, in addition to the amount due, a sum of £5. This is applied in payment of his ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, and fifteenth instalments of principal—12s. 2d., 12s. 6d., 12s. 10d., 13s. 1d., 13s. 5d., 13s. 9d., 14s. 2d. (see table), making a total of £4 11s. 11d., and the corresponding interest—£2 7s. 10d., £2 7s. 6d., £2 7s. 2d., £2 6s. 11d., £2 6s. 7d., £2 6s. 3d., £2 5s. 10d.—is not charged. A balance of 8s. 1d. remains in his favour. Then, on the next due date he has to make the half-yearly payment as usual (less 8s. 1d.), but, instead of being the ninth, it counts as the sixteenth instalment, and by this means the whole loan is repaid three years and a half earlier (seven half-yearly payments) than it otherwise would be. (c.) It may be applied as provided in paragraph 15. Advance payments in reduction of the mortgage, unless made on the due date of a half-yearly payment, take effect only from the next due date.

Readjustment of Loans.

15. On the due date of any instalment, after a least one-tenth of the loan has been repaid, by means of the half-yearly instalments or of moneys repaid in advance, or both, the mortgagor (provided he is not in arrear with any instalment or other payment due under the mortgage) may, with the consent of the Superintendent, readjust the loan by treating the balance of principal then unpaid as a fresh loan duly granted on that date for a fresh term. But no readjustment is allowed unless the balance of unpaid principal amounts to at least £100. Under this arrangement the mortgagor will be relieved of paying interest on the original amount of the loan, and will pay only on the balance of principal not repaid.

16. The law-costs payable for preparing and completing the mortgages under the Act are as under, but the mortgagor will require to pay also a reasonable fee for any additional work that the solicitor may have to undertake: Mortgages under "The Land Transfer Act, 1885": Law-costs of perusing title, preparing and registering mortgage (to be deducted from the advance)—If advance be not exceeding £250, 7s. 6d.; exceeding £250 but not exceeding £500, 10s.; exceeding £500 but not exceeding £750, 15s.; exceeding £750 but not exceeding £1,000, £1 1s.; exceeding £1,000 but not exceeding £1,500, £1 6s.; exceeding £1,500 but not exceeding £2,000, £1 11s. 6d.; exceeding £2,000 but not exceeding £3,000, £1 17s. 6d.: with cash disbursements, which are the same in every case, namely—Mortgage-forms, 2s.; search fee, 2s.; registration, 10s. (with an additional 2s. for every certificate of title after the first). Mortgages under "The Deeds Registration Act, 1868": Law-costs of perusing title, preparing and registering mortgage (to be deducted from the advance)—If advance be not exceeding £150, 18s.; exceeding £150 but not exceeding £250, £1 0s. 6d.; exceeding £250 but not exceeding £500, £1 5s.; exceeding £500 but not exceeding £750, £1 13s.; exceeding £750 but not exceeding £1,000, £2 3s.; exceeding £1,000 but not exceeding £1,500, £2 13s.; exceeding £1,500 but not exceeding £2,000, £3 13s.; exceeding £2,000 but not exceeding £3,000, £4 13s.: with cash disbursements. Fee chargeable by solicitor not residing in registration centre for employing agent to register mortgage, 5s.; solicitor's charge for obtaining Land Board's consent to mortgage of leasehold land—If advance be not exceeding £250, 2s.; exceeding £250, 5s.; fee for partial or total discharge of mortgage, 5s.; fee for execution of consent by the Superintendent to any document, 5s.; fee for production of title-deeds held by the Superintendent, 5s. 6d.

17. No commission or charge or procuracy fee for the promotion of an advance—that is, for the successful result of the application for the loan—should be paid or levied.

The Government Advances to Settlers Office,
Wellington, 1st February, 1904.

P. HEYES,
Superintendent.

Michael O'Connor, of Tetua, said he farmed 780 acres under the lease-in-perpetuity system. His improvements on one section totalled £265, but a request for a loan of £70 was refused. His desire for freehold was due to his experience of his desired loan. He believed that, in whatever position the

generality of settlers were now, if they were taking up land again they would want the right of purchase. His objection to his present form of tenure was the difficulty of obtaining a loan under it, or of disposing of the land to advantage.—This applicant applied for an advance of £70 upon his lease-in-perpetuity interest in Section 5, Block XVI., Longwood, containing 398 acres 3 roods. The improvements consisted of clearing (65 acres), £100; 60 acres grass (surface-sown), £25; and 120 chains fencing, value £30: total, £155. Applicant, who was two payments of rent in arrear, bought the lease of an adjoining section, to which he removed the building formerly upon Section 5. Improvements appeared to be neglected, and property reported very slow of sale. Supervising Valuer could not recommend advance. Application declined accordingly.

Dunedin, March 24.—The evidence given before the Land Commission by Pomahaka settlers was that the sections were too small, and the land was too dear. 2,000 acres of Pomahaka at present were unoccupied. The Advances to Settlers Department had refused advances to Pomahaka settlers, stating that the land, even with improvements added, was not worth the rents settlers were paying. One settler, Donald McGregor, declared that the official reports concerning Pomahaka, sent from Wellington, were falsified. All the witnesses preferred the freehold, characterizing the lease in perpetuity as a "bastard freehold," and not good for anybody.—In this case £100 was applied for on the lease-in-perpetuity interest in Section 20, Block XIII., 247 acres and 6 perches. As, however, the applicant was paying rent on a capital value of £799, and the total value of the proffered security was assessed at only £710 it is obvious that no loan could be granted. Moreover, rent was in arrear for nearly two years, the sum owing being £80 6s., and it was considered by the Board that if a lessee is unable to keep his rent paid up he would only be still more embarrassed if he had the instalments on a mortgage as well as rent to meet.

Edward S. Smith, occupying 685 acres of the Elderslie Settlement at 6s. 6d. an acre, expressed himself well satisfied with the tenure. He was not satisfied with the Advances to Settlers Department. With £750 of improvements he had asked for an advance of £300, and was offered £150. He refused this. The Government should be prepared to advance money on their own property. Three-fifths would be a reasonable proportion.—Three hundred pounds was applied for on the lease-in-perpetuity interest of Section 15, Block XI., Awamoko, 685 acres. The improvements were valued at £637, and the lessee's interest in the lease at £575. Two-thirds of the property was good undulating agricultural land, the balance comprising steep faces, being suitable for grazing purposes only. The annual rent appeared high, and the property reported to be occasionally affected by droughts. An advance of £150 was offered and accepted, but the mortgage was not completed.

Thomas O'Connor, a freeholder, objected, at Oamaru, to the compulsory insurance under the advances-to-settlers scheme against liability under the Employers' Liability Act.—Arrangements have since been made whereby the whole cost of mortgagor's accident indemnity insurance in respect of Department's mortgages is borne by the Advances to Settlers Office.

Gerald Casey, holder of 200 acres of freehold at Claremont, complained of the Advances to Settlers Office. A year ago he had applied for a loan, and had given notice to his landlord that he intended to buy his holding. After waiting two months, the Department had written, refusing the loan. The office was no good whatever.—This applicant applied on the 23rd October, 1903, for a loan of £1,500 to complete the purchase of freehold of Lot 6, part Rural Section 15800, which he held under lease from Mr. G. H. Rhodes with a purchasing clause. The amount asked for was granted on the 10th November, and the solicitor was on the following day instructed to prepare the necessary mortgage. Mr. Casey, however, did not require the money until the 1st of April—five months later—and the matter was not completed. The application was renewed in March, but owing to insufficient funds it could not then be entertained.

Robert Norrish, settler on lease in perpetuity, complained, at Timaru, that he had had dealings with the Advances to Settlers Office, but had been unable to get the money he required.—The Department does not appear to have received an application from a settler of this name.

Edmond Vague, holder of 300 acres on lease in perpetuity on the Levels Estate, said his experience of the Advances to Settlers Office had not been satisfactory, and he preferred dealing with private financial firms.—In this case an advance of £350 was offered in response to an application for £400 upon the security of freehold land situate at Papanui, comprising 5 acres rural and 1 rood 24 perches residential. The value was assessed at £462 and £368, respectively. Buildings formed a large portion of the security, and this, doubtless, was the reason for not granting the full amount applied for. The offer was not accepted.

John Diggins, who holds 200 acres on occupation with right of purchase, 200 acres education lease, and 294 acres on lease in perpetuity, all within five miles of Strathmore, wanted the right to acquire the freehold. His experience of the Advances to Settlers Department was not encouraging. Some time ago he applied for an advance, but the amount offered was so small that it was not worth accepting. He believed the money was not there to advance. Afterwards, witness obtained the money from private sources. This incident occurred in respect to a deferred-purchase lease.—One hundred and seventy-five pounds was advanced to this applicant in April, 1903, in response to an application for a loan of £350 on his lease-in-perpetuity interest in Sections 4 and 31, Block XV., Ngatimaru, containing 288 acres—the security being valued at £427. Five hundred pounds additional was applied for in May, 1904, when £150 more was offered, the realisable value of his interest in the land being set down at £751. The total amount granted, £325, was within £50 of the margin allowed by the Act. The clearing and grassing and fencing were considered to be too highly valued, and this, doubtless, influenced the Board in not authorising a full advance.

At Stratford, Joseph McCluggage, storekeeper, farmer, &c., a member of the Taranaki Land Board, said that a few years ago the Advances to Settlers Office was the most conservative money-lending institution in New Zealand, so much so, in fact, that for a time it was a dead-letter so far as Crown

tenants were concerned. Leaseholders should be able to borrow up to three-fifths of the value of their holdings. To Mr. Johnston: The Advances to Settlers Office had absolutely refused to give money to settlers on the grounds that they were too far back, and their holdings were leasehold. The result was that settlers had to pay 8 per cent. to private money-lenders.—In the first years of the working of the Department the operations of the lending Board may have been open to a construction of this kind, but this is not now the case. Money is freely advanced, within the statutory limit provided by the Act, to Crown tenants situated almost anywhere in the colony on their leasehold interests—provided the Board is satisfied that the security is there.

J. McFarlane, holding 68 acres under lease in perpetuity, on the Aorangiri Settlement, dealing with the Advances to Settlers Office, said the sums offered were usually insufficient.—Mr. McFarlane obtained an advance of £90 in response to an application for a loan of £100 on his lease-in-perpetuity interest in Section 12, Block XIV., Oroua, containing 68 acres 1 rood 4 perches, the realisable value of the applicant's interest being £182. The full amount (50 per cent.) allowed by the Act was granted.

Charles Alfred Finnerty, settler, said, at Stratford, settlers should not be restricted in the matter of borrowing money. They were as well able to manage their financial affairs as any other class. He had known instances where settlers had paid 10 per cent. in order that they might get the money at once. Too much delay occurred in the Advances to Settlers Office. To Mr. Paul: He considered the valuers under the Advances to Settlers Department should get through their work more expeditiously, but he was not prepared to advocate a general reorganization of the Department and its system.—No application has been received from this man.

Michael J. Corrigan, Waikakahi, Timaru: An advance of £300 was sought on applicant's interest on a farm-homestead allotment, Section 14, Block XV., Mangaone, 200 acres, lease in perpetuity. The valuer valued the improvements at £461, the realisable value of which was assessed by the Supervising Valuer at £250. An advance of £125 was offered and accepted. Later on Corrigan applied for £250 additional, when £200 was granted and accepted, the total value of his improvements being assessed at £650. It will be seen that the full margin of the security allowed by the Act (50 per cent.) was granted in this case.—This applicant expressed the opinion that it was necessary for an applicant to ask for considerably more than he required. He also stated that his improvements were worth £700.

William E. DeC. Hughes, at Tokorahi: After I received notice about the forfeiture of my land I had to make arrangements for putting on my improvements, and I applied to the Advances to Settlers Department for a loan of £400. They offered me £250, and were to retain £100 of that as security for the erection of the house I proposed to put up. 211. Did you accept that offer?—No. [Witness here read correspondence between himself and the Department with regard to his application for a loan.] The house, as a matter of fact, was finished before I got my reply from the Advances to Settlers Office about the loan I asked for. They would only advance me £250, but I was able to get from a private source £500 at 5 per cent. for five years, with a right of renewal. I consider that a tenant ought to be able to look to his own landlord for the money that he requires for improvements and not to have to go to private individuals. There is also too much delay in sending applications through so many officers. The tenant has no confidence put into him. The Prime Minister, who is a member of the lending Board, speaking at Stratford the other day, said that he must put his finger on the spot where the weakness was. All these things point to the fact that the Crown tenant would be better off under the freehold. 212. *Mr. McCardle.*] Have you got any sound reasons to advance why the freehold should be granted to Crown tenants?—I think they would be in a better position with the freehold. It would be beneficial to them and to the State. 213. With reference to the Advances to Settlers Department, can you suggest any amendment?—I think they should be able to advance up to three-fifths. 214. In lending money do you think the Government ought to first consider their own tenants?—Yes. 215. If the Advances to Settlers Department advanced up to three-fifths of the tenant's interest you think that would be more satisfactory to the tenant?—Yes. 216. Do you think the State would run any risk if these moneys were paid back by instalments?—I do not think so.—Four hundred pounds was required for building purposes on the applicant's lease-in-perpetuity interest in 367 acres 3 roods 36 perches, Maerewhenua Survey District. The improvements were valued at £341, and the Board offered an advance of £250, £100 of which was to be retained till the proposed building was erected and insured in the Superintendent's name, as mortgagee. The offer was declined.

E. Vague, Pleasant Point: 107. Have you had any experience with the Advances to Settlers Department?—Yes. 108. Was it satisfactory?—No. 109. Do you think the Act could stand amending in the direction of being more liberal?—They could amend it how they liked, but I would have no more to do with it. 110. You do not think, then, it has been a good thing for the country?—I am straight-spoken. I came here with £500 cash, and I had other property in North Canterbury. I found the £500 was not nearly enough to enable me to carry on, so I went and mortgaged my place to a small extent. First of all I went to the Advances to Settlers Office, and, after being interviewed by a young man, I was told he did not think the office had any money to lend. I said it was a peculiar thing that the office was kept open when they had no money. He said he would write and see. He asked me how much I wanted, and said I might as well sign a form, which he filled in. I said I wanted £300, and he said he would send the application to Wellington. It was sent to Wellington accordingly, and I got a reply from the Board stating they could not grant me as much as I wanted. They offered me a sum that was short of my requirements. I may say that before the application was sent away they took fine care to collect £1 10s. from me. My property was worth considerably more than they offered. I then went to an outside firm and told them my case and how much money I wanted, and they said all right, and the money was transferred to my account in the Bank of New Zealand without the slightest trouble. 111. Then, from a public point of view, but not from a personal point of view, you think the Act requires amending?—Certainly, I do. I applied to a private firm for £150 more than I asked from the Government Department, and I got it without any trouble. 112. Notwithstanding your experience, do you not think the Act has had a good influence on the money-market in the

colony?—I can only speak of my own experience. 113. *Mr. McCutchan.*] You speak a little harshly about the Advances to Settlers Department?—Yes. 114. You said you paid a fee of £1 10s. when you sent in your application: Was that the valuation fee?—I do not know what it was. 115. Did not a valuer inspect your property and see what your improvements were?—He may have done so after I went away. I know I paid £1 10s. and I got nothing for it. 116. Could you say that the valuer did not visit your property?—No. 117. Are you aware the Department, on leasehold property, only advances up to 50 per cent. of the actual value of the improvements as estimated by their valuer?—Yes; but it seems to me a peculiar thing that I could go to an outside firm and get £150 more without any trouble. 118. At an equally reasonable rate of interest?—Yes; I paid 5 per cent. 119. Did you pay a procuration fee?—No. 120. Were your legal expenses as reasonable as under the Advances to Settlers Department?—Quite.—Four hundred pounds (not £300 as stated by the applicant) was asked on 5 acres 1 rood 24 perches of freehold security, situated at Christchurch, and valued at £830. An advance of £350 was offered but not accepted. Buildings formed a large proportion of the security. A valuation fee of £1 11s. 6d. was collected, which is the correct amount payable on an application for a loan exceeding £250.

L. W. Murray, Tokorahi: 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. . . . 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 land under extraordinary conditions, and who has suffered owing to bad seasons.—One hundred pounds was asked for on the applicant's lease-in-perpetuity interest in Section 9, Block VIII., Maerewhenua, containing 462 acres 3 roods 5 perches. The improvements comprised house and hut valued at £207, and fencing £20: total, £227. The application was declined, because the rent was in arrear to the extent of £78. The sum available, after satisfying rent, would have been inadequate for the applicant's needs—viz., building house and erecting fences.

Isaac Curtis, Albury Settlement, Canterbury: 87. Do you know anything about the Advances to Settlers Office?—I borrowed £100, and want to get more. I put £497 on the place, and £100 was all I could get from the Department, and it took me six months to get it. 88. Do you think that a higher amount should be granted to the tenants?—Yes, I do; and it could be done with safety.—One hundred and fifty pounds was offered and accepted in response to an application for a loan of £200 on the applicant's lease-in-perpetuity interest in Section 30, Block XV., Tengawai, containing 326 acres 2 roods, which was assessed at £324. Later on an additional advance of £175 was sought, the applicant's interest being then valued at £430. Nothing further was granted, because the lessee, who had expressed dissatisfaction with the rent he was paying, owed £114 in respect of the same. Further, a considerable area of the holding was infested with Californian thistle.

Eliza Waite, Seadown, Canterbury: 345. Have you had any experience of the Advances to Settlers Office?—Yes. It appears to me to be a swindle. I applied for an advance of £60 for building purposes. I had to pay a fee of 10s. 6d. to the Government valuer, and then the Board only offered me an advance of £40, which I could not accept. But they offered, if I would put up more buildings, to give me more money. I put up further buildings, and then I asked for an advance of £100. I had to pay another 10s. 6d. for the valuer's fee, and word came back that they could not advance the money, and when I inquired they told me they would not advance anything. The valuation was £590, and the Advances to Settlers would not advance me anything on it. . . . 348. *Mr. Anstey.*] Is your valuation of £590 for improvements a valuation made for the Advances to Settlers Office?—Yes; Mr. Allen came and valued it, and sent the valuation up to the Advances to Settlers Office.—In 1899 £100 was required on applicant's lease-in-perpetuity interest in 26 acres 1 rood 16 perches, situated in the Kereta Settlement, for the purpose of adding two rooms to her house. The improvements comprised—house, three rooms, value £70; and cow-shed, £30: total, £100. An advance of £40 was offered and declined. The application was renewed in March, 1903, and whilst the house had been added to, thereby increasing her interest to £190, a loan was not recommended because of a dispute between the applicant and a neighbour about a watercourse; owing to an overflow of water about 5 acres of the proffered security was waterlogged. The Department was advised that the dispute was solely the result of obstinacy on the part of applicant and her husband in not giving their neighbour peaceably an outlet for surplus water. The Chief Valuer endeavoured to settle the matter, but did not succeed.

Charles E. Baynon, Riccarton: I applied for a loan of £50, in order to put up two more rooms. I was earning fairly good money at the time. I applied, as I have said, for £50, and they only let me have £40, so I had to borrow £10 from a friend. I think such a system as that adopted by the Advances to Settlers Office is likely to lead to abuse, in this way: that an applicant will apply for more money than he really requires, thereby making provision for a possible reduction. I got the loan very promptly. I notice some people have complained of the delay in obtaining loans from the Department. I think I got my loan within a week. It was necessary that I should get it promptly, as I thus obtained a discount on the price of the timber. The loan of £40 cost me £2 9s. I thought at the time it was a very high charge, as it came to a little more than 6 per cent. I had to go to a lawyer in obtaining the loan, and I strongly object to that. I think if the Government lend money to settlers they should complete the whole business, and not necessitate the applicant going to an outside lawyer. I had to pay £1 18s. 6d.

for costs and 10s. 6d. for the valuation fee, so that the loan cost me altogether £27 9s. In looking up the Year-book I find that I was charged too much. There is 6s. that I cannot account for. 289. *Mr. Johnston.*] Do you not know that there is a regulation charge?—The facts are as I have stated, and there is 6s. that I cannot account for. . . . 293. *Mr. Anstey.*] Did you have to pay £2 9s. for the loan of £40?—Yes. 294. Then, you only actually got £37 11s.?—Yes. 295. And upon that £37 11s. you have to pay interest upon £40?—Yes. 296. Do you think the charge is too high?—Yes.—Fifty pounds was required on applicant's lease-in-perpetuity interest in Section 19, Block X., Wharenui Settlement, containing 2 acres 2 roods. The improvements comprised a partially built house worth £85, and fencing, £5. An advance of £40 was offered and accepted. A further advance of £90 has recently been granted upon security the total value of which is assessed at £260.

J. J. H. McLean, Te Tua: 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 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. . . . 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.—This applicant asked for a loan of £100 on his lease-in-perpetuity interest in Section 8, Block XVIII., Longwood, containing 262 acres 2 roods 33 perches. Although the lessee has been in occupation for six years, the only improvements effected on the holding were—house, valued at £30; dairy, £12; 25 acres cleared and grassed, £49; fencing, £20; stumping, £2: total, £113. The security offered was practically valued at £71, as the buildings, being uninsurable, could not be taken into account. A loan of £30—almost the full margin allowed by the Act—was offered and accepted.

Samuel Soper, Te Aua: 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 Offices 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.—In 1898 an advance of £75 was asked for on the applicant's lease-in-perpetuity interest in 503 acres, situated in Nokomai Survey District. The only permanent improvement on the holding consisted of some 100 chains fencing, valued at £50. It was considered that sufficient progress had not been made to warrant an advance being then authorised. Application declined.

Ann Leggett, Highbank: 2. Have you had any experience of the Advances to Settlers Office?—Yes. They did not grant me what I asked for, but I consider it was wise on their part not to do so, because it prompted me to rely on my own resources. I overcame the difficulty, and I see nothing out of the way in the Advances to Settlers Department. They kept on the safe side, and I do not blame them.—One hundred and fifty pounds was asked for upon her lease-in-perpetuity interest in 138 acres 3 roods 35 perches, situated at the easternmost end of the Highbank Settlement. The improvements, comprising house, £160; stable, £30; a small quantity of fencing and the planting of one acre of trees, totalled £230. Upon this valuation the Board offered a loan of £100, which was accepted.

T. G. Pearce, Otahu: 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. . . . 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 place.—This applicant required £200 on his lease-in-perpetuity interest in 109 acres 2 roods 7 perches, situated in the Waiau Survey District, and assessed at £200. The application was declined, and the applicant was furnished with the reasons, which were that the holding offered as security was of little use for agricultural or pastoral purposes. Its chief use was for sawmilling purposes, but its value in that respect was decreasing, and the valuer was of opinion that the place would not be readily saleable.

F. B. White, Glenham: 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 23ft. I expended pretty well the whole of the £400 and then went to the Advances to Settlers Office to see what they could 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 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. . . . 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. . . . 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.—One hundred and fifty pounds was required on applicant's lease-in-perpetuity interest in 219 acres 1 rood, in the Wyndham Survey District, which was valued at £323: £100 was offered and accepted. Buildings formed the major portion of the security.

It has been stated by Mr. James Milne that a weak point in the advances-to-settlers system is that a settler has to be on the land before he can apply for an advance—he has to reside twelve months. This is not correct. The reason that a Crown tenant cannot obtain an advance during the first twelve months of his lease is to be found in section 85 of "The Land Act, 1892," which provides that "the interest of a lessee shall not during the currency of the first twelve months of his lease be assignable at law or be capable of being charged or encumbered."

484. You have only recently taken over responsibilities of your present office?—Yes.

485. It is quite evident that considerable alterations have been made in order that immediate attention may be given to the wants of the settlers?—Yes; since I have become Superintendent I have made every effort to facilitate matters in connection with advances to settlers, and to help these settlers to the full extent that the Act allows with a moderate risk. In the past the policy of the office has been that there should be no risk. We have got larger reserves now—£194,000. It was advisable to go cautiously at first, but now we have got the business so well established, and have large reserve funds and are making considerable profits, the policy is to do as much as possible with a fair amount of risk. We must take some risk. A man in business endeavours to do as much business as he possibly can with a fair amount of risk, and not with absolute safety. That is the policy we are going on now—to facilitate business and lend to the settlers to the utmost extent we can with a fair amount of risk.

486. In the past very large sums have been advanced on freehold security at low rates—4½ per cent.?—Yes.

487. Is it within your knowledge that anybody has borrowed money on freehold and deliberately lent it out again at 8 and 10 per cent. on the lease in perpetuity and occupation with right of purchase?—No, I think not, I have not heard of any in the office; I have rather a suspicion that there is something of the kind going on up Stratford way.

488. Seeing that so many lease-in-perpetuity and occupation-with-right-of-purchase settlers are anxious to get advances, and are paying up to 8 per cent. and over, it seems strange that the Department should lend on freehold in preference?—There is no preference.

489. Do you give your valuers any specific instructions as to how they shall value?—None whatever.

490. There is no such thing as a schedule as to valuing bushfelling, fencing, grassing, &c.? You do not lay down hard-and-fast rules as to how these improvements shall be valued?—No, there are different rates in different parts of the colony; it is left entirely to the option of the valuer. He has an entirely free hand in making his valuation.

491. I suppose he has to answer certain specific questions?—Yes, he has to say how many acres are in grass, &c., and we are able to form an opinion as to whether it is on the high or low side.

492. He puts on the value and not the Board?—Yes; and when the Board considers the application they consider the whole report together, and if they think that in that locality he is valued high we do not make any objection to it, but it would have some influence with the Board in respect to the amount they lend.

493. Now, as to the delay, is there any possibility of expediting the despatch of business, say, from Invercargill?—The endeavour of the office has been to expedite it as much as possible. Formerly the applications were all sent to Wellington, and were sent back to the local office for report. Now we instruct all applicants to send their applications to the local office or the valuer. Generally speaking, that is done, and we know nothing of the application until it comes to our office with the valuer's report attached.

494. Does the Valuation Department value for you?—Yes. In some cases the Valuation Department engages a valuer for a special valuation, but in all cases they supply us with the valuation.

495. Assuming that the Valuation Department makes a valuation, say, on the 31st of March, and then in the month of July you get an application for an advance, do you consider it necessary to send an officer to report on it again?—Yes.

496. Suppose a man had a valuation of, say, £1,000, and he asked for an advance of £200, would you consider it necessary to send a valuer?—The Act provides that there must be a valuation made whenever an application for a loan is received. We must conform with the Act.

497. Is there not delay in connection with the granting of loans?—None whatever. The Audit Department has to pass these payments, and they would not pass a payment unless the present valuation was attached to the application.

498. Is not a great deal of the delay in the valuation attributable to the fact that the fee is so small it does not pay the valuer unless he has got half a dozen applications in the same district to visit that district?—I do not think there is much in that. It could not be; no one can say how long the valuer would have to wait for such a group of applications. One of the greatest causes of delay is when valuers are removed from one district to another, or in cases of sickness. An application was received, and we got a telegram asking us to expedite a certain loan, and we had not received the application or report, and we at once wired to the local office and found that the valuer had been ill, but the matter is now being attended to. In another case the valuer was away from his district on Government business for a considerable time, and the applications which were sent to him were hung up till he returned.

499. It happens very often that the valuer may be doing one valuation in a certain district, and he may have to go seventy or eighty miles away to do a small valuation elsewhere. Is there any means of getting over that difficulty? The fee is very small for a man to ride thirty miles?—I will make representations to the Valuer-General on the point. Generally, if a valuation is required, and the permanent valuer is engaged elsewhere or not available from any cause, a local man is engaged to make the valuation.

500. Of course, you control the whole colony as Superintendent of the Department?—Yes.

501. In regard to the Auckland advances, have any of them fallen back into your hands?—We have had several, but we have got rid of them. We have had none, however, on which we made a loss.

502. Where do most of your foreclosures take place?—There have been a few in Auckland and a few in the Wellington Provincial District, and one or two on the West Coast and down South, but there have been very few. In fact, they are quite exceptional. I think they are spread pretty well throughout the colony.

503. Generally speaking, what class of land are they on?—Nearly all on freehold. In one case I had personally to inquire into myself, it was the case of a man who had made up his mind to go to Western Australia, and he thought he would get all he possibly could and clear out. As soon as the man got the money he cleared out, and it was thrown on our hands, but we just managed to squeeze out of it without a loss.

504. Was that urban land?—It was rural land.

505. These losses are not on town sections?—No. We have had no losses at all.

506. *Mr. McCutchan.* Have you sufficient money now to meet the applications?—Pretty well, all that are coming in now. In regard to the amounts advanced, probably since about Christmas-time, we have been gradually extending it, until now we have got up to £2,000, but we would not refuse applications even for a larger amount.

507. You are still entertaining applications on freehold?—Yes.

508. You said your Department does not differentiate between the lease-in-perpetuity and the occupation-with-right-of-purchase securities?—No.

509. If there was any differentiation, it would not come in in your Department but in the Valuation Department?—It would be a question of what amount we should lend on it.

510. Then, you do not make any distinction between lease in perpetuity and occupation with right of purchase?—No.

511. Was it not the case that until quite recently you could only advance in these cases up to 50 per cent. of the improvements?—No, it was not in the Act, and as soon as I found it was not in the Act I urged the Board to advance as it was provided in the Act—viz., 50 per cent. on the realisable value of lessee's interest in the lease.

512. Fifty per cent. on the goodwill and 50 per cent. on improvements are advanced by your Department?—Yes. That comprises the 50 per cent. of the lessee's interest in his lease.

513. Is it not the case that the selling-value of the occupation with right of purchase is greater than the selling-value of lease-in-perpetuity sections, the conditions being similar?—It may be owing to the sentimental value of the freehold in some cases.

514. Would there be differentiation?—No, not under the Act.

515. The valuer's instructions would be to value on the selling-value. We have had evidence to the effect that the occupation with right of purchase is a better selling title than the lease-in-perpetuity title, that it is worth more money, and, therefore, there must be some differentiation between the two titles?—Probably so, owing to the sentimental value attaching to the freehold, but I do not agree that it is more valuable to the owner.

516. Have you any means by which you can ascertain from the rolls when a loan is applied for whether there is sufficient security to enable the loan being granted without going to the expense of valuation?—We have no means through the rateable valuations of checking the tenant's estimate of his improvements before sending the valuer out. When loans are declined it is invariably owing to an unfavourable report, and not on the amount of security offered.

517. I mean in this way: Sometimes an application is sent in and the tenant's estimate of the value of his improvements is altogether erroneous, but he is put to the expense of the valuer going out. Is there any means of avoiding that?—Wherever possible we avoid it, and sometimes we advise the applicant that it is unwise to press his application, and suggest he should withdraw it.

518. So that the Department does everything that is possible to avoid that unnecessary expense to the tenant?—Yes, we have had instances to my knowledge where an applicant has put in on his own valuation for a much greater advance than it was obvious his valuation would bear, and we have written

to him pointing out that he could not get anything like the money he asked for, and suggesting that he should withdraw his application. If he says he would rather go on with it, we advise him that he should pay the valuation fee before the valuation is made.

519. With reference to the case supposed to exist near Stratford, where money was borrowed and reported to have been lent out again at a greater rate of interest, is it not the case that the applicant has to state the purpose for which the money is borrowed?—Yes.

520. Do you not think that there is a slight opening for improper use of the money, and that that might be avoided by exercising some supervision over the expenditure of the money?—It would be very difficult to do that. I do not think there is much of that attempted. For one or two isolated cases it would be rather unfair to put any difficulty in the way of others.

521. Do you think that the Department should differentiate in the amount of the loan as between two cases: for instance, one in which a loan was required to pay for improvements already made and not paid for, and the other on the security of improvements made and paid for to make further improvements?—In the case where improvements have been made and not paid for—in such cases we do not ask any questions—we could not.

522. If there is two hundred pounds' worth of improvements the tenant might have paid for them, and might be in arrears in other ways?—That opens up a large question. I do not see how it is possible to interfere.

523. You are really doing that by holding back the money, or part of the money, until the improvements are there?—In a number of instances (and it is quite common practice) where we have had any idea that the applicant may not spend it on improvements, or the Board thinks it desirable, we say that we will lend him so much and hold back so much until improvements to that amount are effected; this is quite the usual practice of the Board. That insures that the money is being expended to a great extent, in accordance with the application. Common-sense is exercised, but we do our best to facilitate matters and help the settlers as much as possible, and cause as little inconvenience as we can. That is our desire. With respect to getting reports from the Land Board, where we have found that an unnecessary delay has taken place, we have written to the Board and asked them for an explanation of the delay in such cases. Similarly, with delays on the part of valuers, and any other delays that arise. This is done to prevent a recurrence of the delay.

524. *Mr. Anstey.*] You have already been asked a question about charging the fee to applicants whose application has been found to be inadmissible: is there any objection to intimating the amount of the valuation where you refuse to grant the loan?—No, in most cases the valuer supplies the figures. If we were asked for it we would supply the information, but in nine cases out of ten the valuer will have given figures; in most cases where loans have been declined, it is owing to an unfavourable report, not so much on the value of the security offered.

525. We had several instances where the applicants did not know the figures?—If the valuer sees the owner of the property, the instructions of the office are that he should give him an idea as to what the valuation is going to be. There are some cases in which we have not given reasons for declining to grant an advance; we could not do so, valuers reports being confidential.

526. How much money has your office lent out in the aggregate?—£2,742,766.

527. How much of that money has been returned to you by way of repayments?—There is none of it—that is the amount outstanding at 31st May.

528. I would like to know the total amount you have lent?—I will furnish the Commission with the total amount to-morrow morning. [The total amount invested to 31st May is £4,185,355, and the total amount of repayments to 31st May is £1,442,588.]

529. With regard to the money that has been repaid to you it has been invested with the Public Trustee?—1 per cent. of the money repaid is so invested.

530. How does he invest it?—In mortgages. We leave 1 per cent. in the hands of the Public Trustee for investment as a sinking fund, and the balance is reinvested by the Advances to Settlers Office, and in addition to this all the profits are invested with the Public Trustee as an assurance fund. The total amount of the sinking fund and assurance fund together is £309,612.

531. You retain 1 per cent.?—1 per cent. for sinking fund. He pays us back 99 per cent.

532. What do you do with that?—We use that for relending. The Public Trustee holds 1 per cent. for the repayment of the loan. There is a special assurance fund, and together with the sinking fund there is now £309,612 in the hands of the Public Trustee. As far as we can under the present Act we are withdrawing the whole of that money for reinvestment. We are withdrawing it now, and that is my own desire.

533. What is your fund derived from?—Wholly from loan-money.

534. Has this money been constantly added to by more loan-money?—We have not drawn any more during the last eighteen months.

535. The only money advanced during the past eighteen months has been repayment-money?—Yes, money withdrawn from the Public Trustee.

536. There was a less sum of loan-money granted to the office for advance on capital account and for investment?—It shows in the balance-sheet. I have not got the actual figures. It is somewhere about £3,000,000 (actually £3,200,000.)

537. Supposing you required to make more liberal advances there would require to be a sum added to that out of loan-money?—We should have to draw on the Treasury for it.

538. You alter the limit of lending according as money is available?—Yes, it must be so; we can only lend according to the funds available.

539. As the people begin to pay their loans back you extend the amount of the loan?—According as our funds accumulate. If we have £20,000 one week and £30,000 next week, we go on extending and advise the local offices, valuers, and solicitors that we are extending the limit.

540. How do the public know when you are prepared to advance, say, up to £1,000, and when you are only prepared to advance up to £500?—There has been no advertisement, but we really get the applications in. They apply to the valuers and those who are acting as agents for the Department, and these tell them.

541. There seems to be a weak spot there: If you apply for £1,000 this week you may get it, but not next week?—It is extending now and not going back.

542. A little while ago you advanced only to £500, and if a man applied for £1,000 you refused it?—Only in a few cases did the applications come to us direct. Most of them came from the local offices, solicitors, and District Valuers.

543. You understand there would be a complaint on that score. Suppose I applied for £1,000, and you refuse me it because it is too much. A few weeks later a friend of mine applies and gets the £1,000, I would think my friend had used political influence?—There is certain to be that sort of statement if you refuse anything. Most of these applications come through the valuers, officers, solicitors, and local offices, and the valuers tell them when the applications are made to what limit the advances are being made.

544. If the valuer tells one man that you will only advance to £500, and next week advances are being made up to £1,000, it looks like favouritism, does it not?—Yes.

545. Can you not see any way out of the difficulty?—No, it is a question of the funds available. With any financial institution they must be guided by the funds they have available. It has to be guided by the actual funds it can lend. It is the same with us: we cannot lend if we have not the money.

546. At a time of tightness, when the Government should make extensive loans, you may be short of funds and lose the chance of helping the public?—That is so. When the public are tight we are tight. That is the law of supply and demand, and no power on earth can regulate that.

547. Have you had to refuse loans simply through want of funds?—Over £500 we have refused a number, and many who did not put in an application were told when they approached the valuer and others connected with the Department that we were restricting loans to £500.

548. Have you not refused below £500 for want of funds?—No, never.

549. Have you offered smaller amounts than that as owing to tightness of funds?—Not under £500.

550. That has not been the reason for offering a less sum than the security warranted?—No, it is simply because the Government could not approach the London money-market for loans at a reasonable rate, and they advised us to give the preference to loans under £500.

551. There is no chance of this three millions being withdrawn: you will not have a less sum?—We have got it and invested it, and they could not get it back again.

552. This amount is always available for advances to settlers?—Yes. We are authorised up to four millions, and as soon as the Government have got more funds we shall have more money available. There is still a balance of £800,000 to draw upon.

WELLINGTON, SATURDAY, 17TH JUNE, 1905.

PETER HEYES further examined.

1. *The Chairman.*] I understand you wish to make some remarks with reference to a question you were asked yesterday?—Yes. Mr. McCutchan asked me did we not consider that there would be a tendency to a better value under the occupation with right of purchase than under the lease in perpetuity, and on the spur of the moment I thought possibly there might be, but on thinking it over afterwards I wish to make a correction. We have always held on the Board of the Advances to Settlers that the lease in perpetuity is better value than the occupation with right of purchase, for this reason: Supposing there were two farms alongside each other, the capital value of each of which may be £500, both leaseholds to start with. We will say that each of the settlers have spent £200 on improvements, and that they are both subject to a rental of £25; then we will say that the land has gone up in value in that locality to the extent of a goodwill of £200 on the realisable value of the lessee's interest. That makes a total value in both cases of £925. There is not a bit of difference as long as they are leaseholds, but then there is a fallacy abroad that there is a better value under the occupation with right of purchase because of the option under that tenure of acquiring the freehold. That is entirely erroneous, for the reason that the man who has the occupation-with-right-of-purchase system of tenure and acquires the freehold and pays £500 for it, if times of depression ensue and land-values come down, say, to the extent of £200, that means he loses part of his capital to the extent of £200. Now, the man who has the lease-in-perpetuity tenure stands to lose nothing; as long as they are leaseholds they are both on the same footing, but as soon as the occupation-with-right-of-purchase settler has acquired the option of the freehold he stands to lose, so that the Advances to Settlers Office has considered that there is better value in the lease in perpetuity than under the occupation with right of purchase. There is a fallacy abroad, and it has been advanced in evidence I think before the Commission from time to time, that the Advances to Settlers Board will lend more and more freely on the occupation with right of purchase than on the lease in perpetuity. That is a complete fallacy. We do not consider that the occupation with right of purchase is anything better than the lease in perpetuity—if anything it is worse; certainly in times of depression it is not anything like the security.

2. *Mr. Anstey.*] Would that apply to the earlier operations of the Advances to Settlers Office?—All the way through as long as we have been lending on leaseholds.

3. The returns you showed us last night indicate that there was a very much larger margin allowed then in the lease in perpetuity than there is now?—We do not make any distinction. We have always allowed the same margin on the lease in perpetuity as on the occupation with right of purchase.

4. *Mr. Hall.*] Do I understand you to say that the option of the freehold does not improve the security of the loan?—It is rather the reverse in times of depression. As long as they are on the same footing as leaseholds one has no advantage over the other, but in times of depression the man who has acquired the freehold stands to lose where the other man does not.

5 Then the lease in perpetuity is a substantial security right through?—It is a better one we consider

6. Then you think the lease in perpetuity has not the fluctuating value over the other?—It has a fluctuating value just the same as the other, but the man with the lease in perpetuity does not stand to lose any part of the capital value of his land

7. *Mr. McCardle.*] Are the valuers instructed to differentiate?—The valuers are the only people who could make any difference, and their instructions are that there is no difference between the two.

8. I suppose you are aware that there is a widely spread idea that there is a difference?—It is quite visionary—it is a delusion.

9. Would it not arise from the fact that if an application for a loan had been before you—on the occupation with right of purchase—and you have refused it, that the outside money-lender has been much more ready to lend money on the occupation with right of purchase than on the lease in perpetuity?—I do not know about outsiders. I can only speak for the Board and the Government valuers.

10. Have you watched the reports?—Yes.

11. I suppose you have seen that we have had some instances where applications to you have been refused, but have been granted by other institutions—of course, at considerable advance?—It is quite possible, but probably their stock was included in the security. There are mixed mortgages occasionally. I can give you one instance, which came before me last Monday, of a mixed mortgage where the applicant borrowed money from a company at 8 per cent. He came to me and asked if he could get money from our office in order to reduce this mortgage. He had borrowed more than the gross capital value at 8 per cent., and it is quite a common thing to get more than the capital value from outsiders. Outsiders will lend on chattel or personal security; we cannot.

12. Are you aware that banking institutions refuse so accept the lease in perpetuity by way of mortgage?—I do not know why they should. They certainly do lend money to leaseholders, to my own knowledge, on the security of the lease and other assets, sometimes more than the Advances to Settlers Office can lend.

13. Perhaps they are under the impression that they are unable to seize and realise so readily?—It is the same in both cases from my experience. I have not found it more difficult to find a purchaser for a lease-in-perpetuity property, in case of foreclosure, than a freehold; because less capital is required to purchase, and you have a much greater number of eligible purchasers to apply to on this account. As far as the security for lending is concerned, the view the Advances to Settlers Board have taken is that the lease in perpetuity is fully as good a security as the occupation with right of purchase or freehold when properly established, and we have never made any difference; but we take it that the lease in perpetuity, for the reasons I have stated, is a better security than the occupation with right of purchase. There is a good deal of sentiment no doubt attached to the fact of a man acquiring the freehold.

ALFRED RICHARD LYONS examined.

14. *The Chairman.*] What are you?—Inspector of properties for the Loan and Mercantile Company and the Land Association throughout New Zealand. I have been about ten years in that position.

15. Before that I understand you were managing some large properties?—Yes; I was the property superintendent and manager for the Assets Board for one of their properties.

16. We have asked you to come here to give evidence with regard to the pastoral lands belonging to the colony. Those runs are deteriorating from various causes. The better grasses are disappearing and coarser ones are taking their place. We wish to ask you whether, in your experience, surface-sowing would bring the natural pastures round, or would subdivision, or perhaps a greater security of tenure for the tenants, help to bring about the improvements that is desired?—As far as surface-sowing goes, different conditions require to be reckoned with. As you know the pastoral lands of the Crown are spread over a large area, and the conditions that may apply to one area will not apply to another. Some of the land lies in moist districts, and other land lies in dry districts. For instance, you take Central Otago and the Mackenzie country; that is country which lies in a high plateau and has a very limited rainfall, and is very dry. My opinion is that in those parts of the country surface-sowing, excepting in the favoured gullies where there is moisture and shelter, would be of very little or no use. In other parts again, where there is a fair rainfall, I think surface-sowing of proper grasses would do a great deal of good. Taking the pastoral lands of the Crown, however, the low country, or what you might call the foothills as it were, has nearly all been taken away for the purposes of closer settlement. That country would take surface-sowing, because it is lower, and it has a better rainfall, but you must bear in mind that the bulk of these lands are at a very high altitude. When I tell you that plenty of their homesteads are 2,500 ft. above sea-level, that will give you some idea of the altitude of the country and the severity of the frosts. The question of surface-sowing is a very difficult one indeed. If you get a very favourable season, it is possible that it might do occasionally, but it would be a very great risk, because if you sow in the spring the hot weather is on, and it is very hot indeed in that high country—the heat is on you before the grasses have taken root. If you sow in the autumn the severe frosts lift the grass out of the ground. Speaking generally, of course, you will understand me clearly when I say that there are favourable places where surface-sowing would do well; but in the case of the pastoral runs in the middle of the South Island, the Mackenzie country and Central Otago, I think the best way to recover them is by understocking and subdivision. To do that security of tenure

should be given. At present there is no inducement to the pastoral tenant to do anything to conserve the interests of his landlord. He is there for a short time, and he is going to get as much out of it as he can. Besides it is not a very profitable business, sheep-farming in the back country, and I know of no man who has made a fortune out of it; but I know of plenty who have lost, and if you want to preserve the large estates of the Crown (because they are a valuable asset) you must give some encouragement to the men who go into those places and risk their money there. It is not a country for a poor man. It is not a country that can ever be cut up for close settlement, and it is all nonsense to think of close settlement there, because any one who understands it will see at once that the country is no use for that purpose. I think that the best way to conserve the interests of the Crown is to conserve the interests of the tenant; that he should be given a mutual interest in it in the way of security of tenure, with valuation for improvements. At present we are only allowed not more than a three-years rental, and there is no encouragement to improve. The man who has it now wants to get something out of it, and he is not going to spend money for the benefit of some one else, and I think the system of letting is wrong. It only encourages speculation with very disastrous results sometimes. I think subdivision would be useful, but you might do as much harm by fencing as you do good. In lots of cases, if you are not careful with the fencing, you will have your sheep caught in the snow and they will not be able to get away; but judicious subdivision and understocking is necessary, and, in my opinion, the rents of the runs should be assessed on the carrying-capacity, and the tenant should not be allowed to carry more sheep than he is assessed at. The rents should be assessed on the carrying-capacity per head, and if the tenant carries more sheep than he ought to, he should be fined. As it is there is an incentive to overstock. At present a run is let at a certain figure, £500, £600, and so on, up to £1,200. Let the tenant feel that when he has his lease for twenty-one years, if he goes in and spends money on improving it, he will either have the option of getting a further renewal of that lease, or, if he does not like to take it at the rental then put upon it, that he shall be paid for the proportion of the improvements that he has put upon it. That, I think, is fair.

17. You advocate security of tenure, restriction of stocking, and security of improvements?—Understocking will do more, in my opinion, to bring back the runs to their old state than anything else, except in certain places where there is a fair rainfall and sufficient moisture to cause the grass not only to grow but to keep on growing, and not to be burnt up by the heat of the sun in summer or perished by the severe frosts in winter.

18. *Mr. Anstey.*] I take it that you do not strongly advocate sowing any grass upon the very high country?—I would not quite put it like that.

19. Do you know of any grass which it would be worth while going to the expense of sowing?—I would rather put it in this way: That on a run there are some parts that might be surface-sown, but they bear such a very small proportion to the area of the run that, speaking broadly, I do not think it would do much good to surface-sow it. At the same time there are always spots and gullies and creeks which it would pay to sow if a man has the inducement to do it.

20. We have been told that there are several grasses that have been introduced into the country which might be very suitable for certain portions—*danthonia* and *Paspalum dilatatum* imported from Australia. Do you think it would be wise for the Government to make some experiments and endeavour to find out what grass would be suitable for this very high country?—I think it would be a very good thing if they would make the experiment. It would be worth while trying and they might spend a few hundred pounds on it.

21. Do you think there would be any chance of those grasses taking in that country?—That is rather a difficult question to answer. Individually I do not think there is much success to be expected. I have heard a good deal about the *paspalum* from Australia, and there are some people in the Waikato who have tried them, it has been tried too in Hawke's Bay, but as far as I can gather it requires fairly good soil.

22. Do you know of any grasses growing in the higher altitudes in any part of the world which it would be wise for the Government to import? We heard there are some in Thibet and there may be some in the Andes?—Of course, the stock that live there are wild animals. They are not the comparatively delicate animals that sheep are. They can live in snow better than sheep. I think money might be better spent in some other way than in an experiment of this sort. It might be worth while, trying this *Paspalum dilatatum*.

23. We have had evidence that it was only suitable for tropical countries?—I know nothing about it. It is an entirely new grass to me. *Chewing's fescue* is, I think, as suitable a grass as any we can find for the high country. That and dogstail and a little cocksfoot would do. It is no use sowing ryegrass.

24. Do you mean that the existing runs should be subdivided into paddocks or into smaller areas?—What I meant by subdivision was that more subdivisional fences might be put on existing runs. The runs as at present let are fairly suitable, and I do not think it would be advantageous at all to make them into smaller runs. They are quite small enough.

25. Would it be advisable to put two runs together?—In some cases they could be put together with more advantage than they could be subdivided.

26. You spoke of restricting the number of sheep, but if the tenant went in for surface-sowing in the parts you spoke of it would increase his carrying-capacity?—Yes.

27. Under those circumstances how would your system work?—If surface-sowing was a success and increased his carrying-capacity it would be necessary to approach the Land Board and ask that the rent should be reassessed.

28. You would then raise his rent?—But he is carrying more sheep.

29. That does not seem to be quite fair when he has spent money in grassing the land to enable him to carry more sheep?—In that case I charge him no more additional rent. But I do not think you are going to increase the carrying-capacity of these runs very much by surface-sowing.

30. In regard to understocking, would there be any good purpose achieved by dividing the run as you suggest and allowing a portion to remain completely idle for a year so as to allow it to recover itself?—That would do a great deal of good; but then you must remember that every run—I speak of the runs I know of—has not enough low country in proportion to its high country. It has not got enough country to carry its hoggets and ewes. It cannot carry enough ewes to keep up its numbers, because in that high country their percentage is small, and the good country has been taken away to such an extent that every run has not got as much lambing-country as it ought to have,

31. At what time of the year does this overstocking do most damage?—In the winter-time naturally.

32. Is there any practical way of dividing these runs you speak of, and insisting on, say, a third of the run being absolutely unstocked for the whole year or six months of the year?—You have already, by taking away the low country, limited the lambing capacity. You would limit it still more because it would be the good country you would take away. Nearly every run has a certain area of summer country which is useless in the winter-time.

33. I understood you to say that it would be a good thing if a portion of the country was absolutely unstocked?—I suggest merely that it should be understocked, not that it should be unstocked.

34. Do you think it is not practicable to absolutely unstock a proportion of the country for a fixed time?—I do, otherwise you would have to compensate the tenants considerably.

35. *Mr. Hall.*] Do you think it is want of security which makes the tenure of these runholders unsatisfactory?—Yes, the tenure should be more secure; it should be a twenty-one-years lease: but if you want the runs improved you must give the tenants some assurance that they will get back a portion of the money, and that he will not be simply improving the run for somebody else.

36. Would it not be difficult to restrict the carrying-capacity of runs—to restrict the number of sheep that they carry?—No. All practical men know what high country will carry.

37. Is there a great deal of overstocking now?—Not so much as there was in the past, because the rabbits are kept in hand pretty well, and most people in their own interests are understocking. We have a large run in Canterbury called St. Helen's. When I took up the working of that run it was very bare and bad with rabbits. It was carrying sheep badly. I have always lightly stocked it. I have got the rabbits down, and now that country, instead of being bare as it was, is one of the best runs about.

38. Are the runs generally too large: do they admit of being reduced to advantage?—Some runs might be reduced, but very few; others again want increasing. There is a great deal of country which might be increased with advantage. The great want is safe country.

39. Overstocking eats out the finer grasses?—Yes.

40. Do you know anything of this danthonia-grass grown up north?—Yes, danthonia as a Native grass is spreading pretty well all over the North Island, and to a great extent in the South.

41. Being so hardy and tenacious of the soil, would it not be likely to be successful in the high country?—There a great many varieties of danthonia, and the species which is growing in the high country is not a very good grass; it is an innutritious grass. I believe there are from twenty to twenty-five different kinds of danthonia, some are good and others are worthless. It is not good fattening pasture.

42. Are you aware that fire does not injure it?—Yes, that is one great advantage.

43. *Mr. Johnston.*] You think if a better tenure was given it would be generally better for the country?—Yes, I think it would be better for all parties concerned.

44. Would the runholders improve the land if they had this secure tenure up to its full carrying-capacity?—That is a difficult question to ask one man, but speaking personally, I should be inclined to do all I could in the way of improvements provided we had either security of tenure, or if, in the event of there being no extension of the twenty-one-years lease, we got fair valuation for improvements.

45. You think the runholders would accept a tenure of that description?—Yes, I think so, and I think it would be of advantage to the colony. At present, I do not think we are treated fairly. Wherever there is an application for a little bit of low country, it is taken from us.

46. There is a certain amount of improvements on these runs which would not be visible on valuation?—Yes, that is the difficulty I see.

47. But still the runholder would be satisfied with the bare valuation of improvements at the end of his term. Would it not be better if he had the option to renew at an arbitration rate three or five years before the termination of his lease?—Not necessarily five years, but certainly one year; three would be better for him, but in any case, it ought always to be one year.

48. Supposing he did not intend to renew at one year, might he not be able to eat the country right out?—That is not likely so long as the high price of sheep continues.

49. We have no guarantee that it is going to continue, but as far as tenure is concerned, it is next door to impossible for a runholder to invest capital at the high price sheep are at present?—It might be unless he has some security of tenure.

50. Has the carrying-capacity been reduced by the cutting off of winter country?—Yes, decidedly so.

51. You suggested assessing the rental on the carrying-capacity; is that possible, and can it be carried out properly?—Yes, there should be no difficulty about it, because the Land Boards assisted by the Stock Inspectors, who should all have an intimate knowledge of the runs, ought to be able to arrive at a just estimate of the carrying-capacity, and the area of the runs also is known.

52. Roughly, what do you think it should be charged at per head?—You open up a wide question, because what would be a fair rental in one place might be exorbitant in another.

53. How would you base it with all the fluctuations in the market and the value of sheep?—I should say the fairest way to do that would be to take an average. Not to take one year or two years, but to take an average over a number of years. A fair estimate could then be arrived at.

54. Within your knowledge in the South Island, has the carrying-capacity been reduced on the runs generally?—It has in the high country, but I must tell you there is a lot of country which no matter what you do you cannot improve it. In the early days the country was all grassed, the higher parts being more thinly grassed than the rest. Before it was stocked, there was nothing to bring the travelling shingle down. Then the rabbits came on, and they began to eat the grass out, and drive the sheep higher up. This shingle then became loose, and the thinly grassed patches became denuded of grass altogether, and what I can remember as fair grass country is now in some places a waste of shingle. You cannot do any good with that country even if you do not stock it at all.

55. Generally speaking, what height of country would you term winter country?—Taking the Mackenzie country for instance, our winter country runs up from 4,000 ft. to about 5,000 ft. The summer country goes up to 7,000 ft. or 8,000 ft.

56. How high would you advocate wintering with practically no risk?—There is no country that is not covered with snow occasionally.

57. I mean ordinary winter country?—We take the risk up to, say, 4,000 ft., but we know we are taking a risk all the time.

58. Is this danthonia on all kinds of country?—Yes, you find it everywhere; it is spreading, but it is not good grass.

59. Have you read Mr. Tripp's evidence, or were you a party to that petition from runholders who appointed Mr. Tripp to give evidence before the Commission?—I read the petition and told our manager in Timaru to sign it.

60. Did you approve of the prayer of the petitioners?—I cannot remember now just what it was, but I must have done so.

61. Do you approve of what Mr. Tripp said about cocksfoot—viz., that it was practically the only grass which, after many experiments, had proved successful on the high country?—In the high plateau country which runs from Central Otago through the Mackenzie country to Canterbury, where there is a limited rainfall, and it is very hot in summer and very cold in winter, it and Chewing's fescue would succeed better than any other grasses. Mr. Tripp's country is lower down, though it is a fairly high altitude, but he has a heavier rainfall.

62. Do you think he speaks with a fair knowledge of all the country?—Yes, I do.

63. With regard to paspalum grass, we are assured by experts that it will stand frost in winter, and that it is a splendid grass for the summer?—It is a grass I know nothing about.

64. What about the Californian thistle: is there any in your part of the country?—There is very little in the Mackenzie country, but there is a good deal in Central Otago. So far as the Canterbury runs I am conversant with are concerned, I do not know of any Californian thistle upon them.

65. Is it prevalent in Southland?—Very much so, with ragwort.

66. What is it like in the North Island?—It is very bad in the Waikato, and whilst I do not think you can get rid of it without very great expense, on good land it will pay you to go to the expense, and if you keep on ploughing, and whenever it shows its head above the ground put the cultivator through, in a couple of years you could pretty well get rid of it; another way is to keep on cutting it.

67. In the poorer country is it ultimately going to become a cause of great depreciation?—It is a very serious question indeed.

68. How serious is it in the Wairarapa, Hawke's Bay, and the west coast of this Island?—Not so bad, though there are traces of it everywhere.

69. Generally speaking, are the rabbits being kept down in the South Island?—On the pastoral runs they are being kept down.

70. Do you think the rabbits are being reduced?—Oh, yes.

71. Have the Land Boards with which you have dealt given the pastoral Crown tenants fair consideration, in your opinion?—I have no fault whatever to find with the Land Boards. Whenever I have asked them to do anything they have always done what was reasonable so far as lay in their power, but speaking from my own point of view, there is one thing in connection with which I do not think the Land Boards are quite fair. On one occasion, for instance, a piece of country, which Mr. Humphreys knows, was offered for lease, and there were no applicants. The Board said "Will you lease this for three years." We said "Yes," and we have gone on leasing it, and they raised our rent the next three years. It was safe country on the Hammer Plains. Now an application comes from two people who want to secure a bit of that country. We consider this is very unfair, as we lease a very large area of cold high country. We have a run now which the Government could not get a tenant for—the Acheron country—we at first refused, and the Land Board asked us to take it and rabbit it. We agreed to take it for £300 a year, and we have got it for three years. Whenever a piece of low country is applied for, the Land Board say that settlement must be encouraged, but I say that fair play is bonny play, and I think when a man takes up high country, he should not have his low country suddenly taken away from him like this. But, speaking personally, I have always found the Land Board fair and reasonable.

72. *Mr. McCardle.*] Have you had any experience of ragwort: Has it injured sheep on any of the runs with which you have been acquainted?—Thank Goodness it has not been bad enough on any of the runs I have had to do with.

73. Is it not a fact that where runs are well stocked with sheep, ragwort does not make any headway at all?—I do not think it is, because I know plenty of runs which are well stocked with sheep on which the ragwort is still growing.

74. We have a great deal of clean country still to be laid down in grass in New Zealand, and when in Southland we saw hundreds of acres, some in stook, and some in stack, with the ragwort all through it: do you think those people should be allowed to sell and send all over the country filthy seed of that description?—I think some check should be put upon it because that is the only way you can put a stop to the spread of noxious weeds into clean country.

75. We had evidence about a large run of some 300,000 acres—the Lindhurst Run I think—the manager said he put a large number of rabbiters on to muster. Do you think a man could properly muster a run with rabbit-dogs?—I should not like our runs to be mustered like that.

76. Would a run like that be better managed if it were possible to divide it?—It must of course be divided in some way, and to what extent it should be divided depends on the country.

77. *Mr. McLennan.*] Do you think it advisable that tenants should be compelled to fence off a small portion of their holdings from year to year, and keep that portion clear of stock so as to allow the native-grass seed to get a hold and spread?—As I said before, we could not do it. We should have to abandon our runs, because our good country is so limited already. If we were compelled to shut up a quarter or half of it we should have to overstock the other portion.

78. I mean simply small paddocks of from 100 to 200 acres in different localities, so as to let the grass seed and spread?—I do not think it would do much good, because it would be a mere drop in the bucket, and, of course, the part that you would shut up this year would be eaten the next year. But at the present time we spell the country because in the summer the sheep are turned into the high country, and the low country gets a spell, and *vice versa*.

79. *Mr. Paul.*] You have devoted a good deal of attention to weeds: do you know of any instance where lessees of pastoral runs have sown screenings from a seed-cleaning machines?—Personally, no; though I have heard of such a thing.

80. You do not doubt the truth of it?—Anything is possible, but it has not come under my knowledge.

81. You spoke of excessive subdivision, and said that it had decreased the carrying-capacity of runs?—Yes.

82. Is that *pro rata*—a relative term—or is it just merely the fact of taking away 1,000 acres of country from a big run decreases the carrying-capacity. Do you mean that taking away 1,000 acres of good country from a run will decrease the carrying-capacity of that run by much more than the 1,000 acres itself will carry?—It does more injury than if you took away 4,000 or 5,000 acres of the high country, because as I have tried to impress upon the Commission the area of low country available for breeding and for carrying our hoggets is very limited. If you go and take away 1,000 acres of that country it means more to us than if you take away 10,000 acres of high country.

82A. Take a pastoral run from which three small grazing-runs of 1,000 acres each have been cut off: could you say whether the whole area of the four runs would carry a greater or a lesser number of sheep under the subdivision?—I cannot answer that, because one does not know what the small runs might be carrying.

83. Do you think it is more likely they will be carrying more sheep or less?—In answering the question in the way in which you put it, I should say the total number of sheep carried would be reduced. That is my opinion. I cannot give you chapter and verse for it.

84. If you followed the Commission's sittings in the south you will have noticed there has been an agitation for a further subdivision of some of the runs: for instance, Puketoi was singled out for subdivision: do you know it?—Yes.

85. Within your knowledge is it suitable for subdivision?—No, I should not say it was. I do not know what amount of safe country there is on it, but I know it has a great area of country under snow.

86. Do you know anything about Ross and Glendining's three runs—Blackstone Hill, Lauder, and Home Hills?—I do not know them sufficiently to give an opinion.

87. Your general opinion is there should be no further subdivision of the pastoral country without very careful consideration?—Yes.

88. *Mr. Hall.*] On these runs is it merino and down to half-breds that are kept?—Principally merinos. Most of the country is not good enough to carry half-breds. The lower country will, but the higher country is better suited for merinos.

89. Is it not necessary for the maintenance of flocks for export that the merino blood should be maintained?—It is a very good thing indeed that the sheep-farmers on the low country and the small farmers should be able to renew their flocks from the merino, because that is what has made Canterbury mutton.

90. Then, if the breeding of merinos went down, the flocks on the plains which supply the frozen meat would depreciate?—We should not be able to maintain the quality of the mutton.

91. If that is the case is it not in the intersets of the colony that these runs should be kept on a footing which would enable the breeding of such sheep to be continued?—I think so.

92. *Mr. Johnston.*] If a man feeds his cattle in winter from troughs on country, say, from 1,500 ft. to 2,000 ft. above sea-level, on the screenings from seed-cleaning machines is it detrimental to the country?—Nobody could afford to go to the expense of doing so. You could not do it on any large scale.

93. We had evidence that there is a farmer in a large way who is doing so: in your opinion is it detrimental to the country?—Yes, it would spread weeds all over the face of the country.

94. Would not the wind blow the seed all over the country as well?—Yes. It would be a very foolish proceeding indeed.

95. Have you ever known the screenings from machines to be sown in the high country?—It has not come under my personal knowledge.

THOMAS HUMPHRIES further examined.

96. *The Chairman.*] Your statement is before us in print: do you wish to supplement it in any way?—No.

97. In regard to cropping, you say there is a great difficulty in keeping tenants within the regula-

tion, and that the Land Board have no statutory power to give concessions, although they have done so?—That is so. It has been unavoidable.

98. You think it is necessary you should be armed with statutory power?—Yes.

99. *Mr. Anstey.*] Do you definitely recommend that the cropping restrictions should remain exactly as they are in the lease?—Yes. My recommendation is, and it is also the opinion of the Land Board, that there must be some standard laid down. The tenants should be allowed to deviate from that according to circumstances, and the Board should have discretionary power to allow them to do so.

100. Do I understand you to say there should be one standard lease which should apply to all?—Yes.

101. Do you really think that is the wisest way of doing it: you have plenty of land in Canterbury that is quite suitable for growing three crops, while there is plenty of other land for which one crop is quite sufficient: would it not be very much wiser to put a limit in the lease suitable for the section?—I think if you went over the farms that we have been over you will find that one paddock varies from another on a section. The Board very carefully went into this matter paddock by paddock, and the conclusion it came to was that you cannot lay down a distinct rule for each section.

102. Is it wise to allow a limit of two crops upon land that is quite unsuited for it, and which is only suitable for one crop?—The Board considers it is necessary to have a limit and that the existing one is a fair average. Of course this is not my expert opinion. It is the opinion of the members of our Land Board, who are practical farmers.

103. We had the opinion expressed by Mr. Lowrie, Director of Lincoln College, who is supposed to be an expert, and he thought it was utterly useless to have any cropping restrictions whatsoever: do you think any serious damage would be caused to the land if the lease-in-perpetuity tenants had unrestricted cropping-rights?—Yes. I say that from experience.

104. Would the State's interest be prejudiced by so doing?—Certainly.

105. In what way?—I have one case in my mind now of a young man who went on steadily cropping his place until with very little more of it he would have had the land cropped out. He applied to the Board to sell out, and as soon as the new man came in he asked to be allowed to go on cropping, otherwise he could not pay the rent. Ever since that the Board have been very careful to acquaint the incoming tenant with what he had to expect. In the case of parties who have heavily cropped, the Board does not now allow them to transfer until they have brought the ground into something like order again.

106. Would not the interest of the State be sufficiently protected if a man effected sufficient improvements to protect against anything like deterioration of the land?—No, because the sections might be thrown on our hands.

107. But suppose sufficient improvements were put on to protect the interests of the State: could a man really deteriorate land by ordinary cropping more than, say, £2 per acre?—I am not in a position to say, but a man could, as some have done, neglect his fences and other improvements, which were all a part of the valuation of the land. The view taken by the Board is this: Land let at 8s. per acre might by bad treatment and neglect of fences and improvements so deteriorate that we could only get rid of it again at a rent of 6s. an acre.

108. Your answer is that land could be depreciated by more than the value of the improvements?—Yes.

109. We have had evidence from people that in the case of lands near towns, for instance, that are not suitable for sheep, they grow a straw crop and a green crop in rotation: do you think any detriment would come to the land if that were followed continuously?—I cannot say. I am not an expert. I leave all the expert work to the Land Board, who are farmers.

110. There has been some trouble with regard to the small grazing-runs on the Cheviot Estate: can you tell us what the position is now?—They are twenty-one-years leases and the lessees get valuation for improvements at the end of the term.

111. And they have no right of renewal?—No.

112. What does the Crown do with them then?—The Crown is in a position to do what it likes with them.

113. The statement has been made that you have no power to re-lease the Cheviot runs again?—Not to the present parties.

114. Do you think you should have power to re-lease them to the existing tenant?—Some of the holdings that are leased now want dividing so that I do not think in these cases they should be leased as they stand.

115. In the other cases would there be any hardship in allowing the present tenants a renewal of their leases, subject to any land to be taken for closer settlement?—There would be no objection. I think they should have the right of renewal.

116. You have no right by the Act to give them a renewal?—No.

117. You think it would be wise for that power to be conferred on the Land Board?—Yes, except where the land is required for closer settlement.

118. And would you offer such part of a run that is not required for closer settlement to the existing tenant?—I would not be adverse to that.

119. To your knowledge have there been any experiments in Canterbury with grasses suitable for regrassing the high country?—I have not heard of any.

120. You are aware of the introduction of some grasses from Australia, such as *paspalum*, which have been used more or less successfully in the north?—I have heard of them.

121. Do you think it would be wise for the Government to make some experiments with grasses that would be likely to be successful in the very high country in the south?—I should think so. I see no objection to it.

122. *Mr. Forbes.*] In your statement you say there is a number of tenants under deferred payment and perpetual lease, which number is diminishing as they convert the leases into lease in perpetuity or freehold: do you find that deferred-payment people convert their holdings into lease in perpetuity?—I think it is the perpetual-lease people who are changing into lease in perpetuity. The land under deferred payment in Canterbury in the past is principally freehold now.

123. There is the right of purchase in the perpetual lease?—Yes, but there has been a new ruling lately in regard to that. There was a certain limit of time during which it was said they could purchase, but under the new ruling there is no limit. A great many people converted into lease in perpetuity because it was considered that the time-limit within which they could purchase had expired.

124. If they had remained under perpetual lease they would have had the right of purchase for an unlimited period?—Yes, unlimited during the lease.

125. In your statement you have given us the area of pastoral runs, and it shows an increase since 1891 from 3,140,000 acres to 3,528,892 acres: how has that increase taken place?—It is largely due to the fact of the Nelson runs being taken over by the Canterbury Board when the alterations in the boundaries of the district were made.

126. In reference to the demand that a larger allowance should be made for improvements on pastoral runs to encourage the lessees to improve them, do you think that is necessary?—So far as Canterbury is concerned it is hardly necessary.

127. According to your statement they have not availed themselves of the amount they could have?—That is so.

128. And at the same time they are asking for a larger allowance?—Yes.

129. Do you think it is owing to the fact that the allowance was so small that they did not attempt to avail themselves of it, seeing that the proper subdivision of the runs would run into a large amount?—This is how the matter has appeared to me. If there was so much benefit to be got out of this grassing it is surprising to me that when they started on a twenty-one-years lease they did not spend a little money in it in grassing.

130. You think they would get the value back in twenty-one years?—Yes, and yet we have not got a run that has been regrassed to any extent.

131. Do you think that the extension of their leases will encourage them to regrass to any appreciable extent?—I do not think a right of renewal should be given unless they have done enough by the end of the first term to justify a renewal.

132. You heard Mr. Lyons's evidence, and do you not think he made a very sensible suggestion when he said you should limit the amount of stock these runs should carry, and assess the rent accordingly: do you think such a provision should be inserted in your pastoral leases?—I would not like to answer that offhand. There is a great deal more in it than appears at first sight. I may say I have only had experience of these runs during the last three years. My other four districts had no runs of similar character in them, and my experience is chiefly gained through having been one of the Classification Commissioners two years and a half ago. I was then associated with Mr. McMillan and Mr. Pringle. We went over thirty runs and found one or two that had been eaten out by overstocking. But it is generally admitted that the runs in Canterbury at the present time are understocked.

133. That is on account of the high price of sheep, is it not, and is not due in any way to any desire to improve the grass?—That is so.

134. You agree, though, that it is most important that these runs should not be overstocked?—Yes.

135. Then should not provision be made to prevent that being done?—Yes, if possible.

136. We have been told that in the case of twenty-one-years leases men with those leases will overstock towards the end of them, and you have no power under the present conditions to stop that?—That is so, but the carrying-capacities of a run for various reasons might be quite different from what it was two years previous, by reason of seasons and so forth. The capacity varies, but there is no doubt that something should be done, although I hesitate to give an opinion as to what would be the best course.

137. You think that the present provision with regard to preference to married men at the ballots should be amended?—Yes.

138. You would give married men two chances to a single man's one?—Yes.

139. If the Act was amended in the direction you suggest, you think it would give satisfaction?—Yes.

140. You say you would exclude all over three members of one family in a ballot: but do you not think that when every one over the age of twenty-one years is a separate person in the eyes of the law that they should have a right to go in for the ballot?—It looks right, but our experience is that in nine cases out of ten it is dummyism.

141. Cannot your examination disclose whether it is dummyism?—They at times deceive us, after all.

142. They must have a certain amount of capital?—Yes. We have a case before us now. An hotelkeeper in another part of the colony and his nephew applied for a section, and both showed that they had sufficient capital. The hotelkeeper got the section, but the nephew is on the land, and the former still carries on his business. There is little doubt but that he was duplicating the nephew's chances.

143. It is five years before he can transfer, and in that time cannot you insist on the conditions being complied with?—Yes. If the conditions are not carried out he can surrender and we will safeguard his improvements. Our experience in Canterbury has been that as a rule several members of a family will apply in the hopes of one getting the section.

144. Do you not think that that system of dummyism among families has been due to the lax way in which the provisions have been carried out in the past? If the provisions were enforced they would

be frightened to carry on any of those tricks. As you are getting stricter do you not think it is getting less?—We had less of it in connection with Rosewill, but that was due to an announcement in the newspaper that the Board would only allow two of one family to go to the ballot.

145. Do you think that if a provision to that effect was inserted it would be satisfactory?—Yes.

146. On one hand we say that large families are a benefit to the State, and on the other we say that large families should be restricted in their opportunities to get land?—As an example, take the case of a man with three sons, all of whom have sections; the Board feels convinced that although the sons are occasionally on the land it is being largely worked in the interests of the father.

147. Speaking from your experience you say that is an evil which should be stopped?—Yes.

148. Has your Board made concessions to lease-in-perpetuity holders for losses by hailstorms, &c.?—About four years ago one person was granted a concession.

149. Do you know the estate on which it was given?—No; it was only on a small property.

150. Do you think it is a good principle?—I do; but I think it is a thing that wants to be watched very closely.

151. Do you not think that when a tenant has been helped when overtaken with disaster that it should be regarded as a loan and not as a gift?—I think that would be a better plan if means could be devised for doing it. There were applications before the Land Board two years ago on account of floods, and the Board declined the request on the ground that the tenants had had several very good seasons. The Board held that it was not reasonable that they should reap all the benefit of the good years, and immediately an accident occurred to expect to get assistance from the Government.

152. Would you agree that any concessions that are made should be regarded in the light of a loan to be returned in a given number of years, instead of being an absolute gift?—Perhaps it would be more satisfactory.

153. In connection with the small grazing-runs on Cheviot: you say compensation is given for improvements?—Yes.

154. Does not the Act read that improvements are protected that are necessary for the proper working of the run, and if a man puts up a house worth £1,500 would he get compensation for that?—I think so. I am not acquainted with the details of the Cheviot Disposition Act, but he will get compensation at the end of the term.

155. The Act says compensation for improvements necessary for the working of the run. A £1,500 house is not an improvement necessary for the proper working of a grazing-run of 2,800 acres?—I should say he will get compensation for all his improvements.

156. Would it be reasonable to say that a man would be allowed to load a run with such improvements as would prohibit another man coming in at the end of the term?—I am not sure whether the Land Act is incorporated in the Cheviot Disposition Act. If it is we can soon cure that, because if we find that the run does not sell at that amount we reduce the loading for improvements.

157. The original holder would, of course, have an advantage over any outsider, and if he wished to carry on that run he could get it?—That is so. We are in that position with land for settlements land, small grazing-runs, and all others.

158. Have you got any schedule fixed of what are necessary improvements?—No. I think when the time comes the Board will give the tenants their full improvements.

159. Do you not think encouragement should be given to persons to make plantations—give compensation for them?—I think so.

160. There is also nothing in the Cheviot leases about valuation for surface-sowing?—It is a question whether grassing is a permanent improvement. I regard grassing in bush land as a permanent improvement for which a man should have compensation, but there is a question in regard to the grassing of other lands where it is turned up in two or three years time.

161. I am referring to the grassing of small grazing-runs?—I cannot speak with confidence on the Cheviot conditions without looking them up.

162. You think all improvements should be allowed for?—That is my feeling.

163. Some of the witnesses have said that the examination of applicants under the Land for Settlements Act is somewhat of a farce, and it is very easy to get round the Board: do you think that is borne out by your experience?—I should say the very fact of having such a magnificent tenantry as we have in Canterbury is a very good proof of the fact that our examination has weeded out the bad ones. Taking the Canterbury settlers as a whole, I think they are a class of tenants that could not be beaten. At the same time we are sometimes deceived. I have it from a most reliable source that in one instance an examinee represented and proved, in a way, that he had a certain amount of money, but at the same time a financial company had lent him the money and also that for his deposit.

164. Is not that a common thing?—I do not know.

165. Have you not noticed in applicants' bank-books that there are deposits of quite recent date, which might be financial institutions' money deposited for the purpose?—Directly we see that, we ascertain from them where the money has come from. Of course, I may explain that all our examinations are confidential and the parties are given to understand that. The only record kept of it is the shorthand-writer's notes, which are never brought into longhand, but kept for future reference.

166. In the case of Cheviot there was no examination: how does that estate compare with other estates on which a severe examination of applicants has been made?—The Cheviot tenants are a very good lot of people. We find that the inefficient drift out of the estates and the better class of people remain, so that in five or six years' time we have a better class, if anything, that we had at the beginning.

167. You think that examination has effected an improvement in the tenants?—Yes.

168. With regard to goodwills, is there not a danger of the incoming tenant, by paying too much for his goodwill, being handicapped by having to pay a large sum of interest in addition to his rent?—There is a risk. The Land Board does not object to a goodwill. The principle the Board acts on is

this : If a man is giving what we consider an excessive goodwill we generally ask him if he knows what he is doing and is satisfied. If we find he has sufficient means to enable him, after paying the goodwill, to be a good tenant to us no exception is taken to the goodwill.

169. Is there not a possibility that the interest of the goodwill added to the rent will make a rack-rent on these tenants ?—I admit there is that danger.

170. The cropping-restrictions on Cheviot differ from the cropping-restrictions of land for settlements estates : do you not think they ought to be brought into line with the others ?—I think it will be quite time enough to make the alteration when the time for doing so arrives.

171. One regulation states that the tenants must not burn or remove straw. Cutting straw into chaff is removing it, and under the regulations a man can be prevented from doing that ?—Those regulations are not insisted on. It would be most absurd to do so in many cases.

172. The evidence went to show that the rents on Lyndon No. 2, at Waiau, were too high : do you think it is reasonable that they should go on as at present or that they should be revalued ?—That there will be a difficulty in the case of the runs, I think, there is no doubt ; but the Legislature has been very adverse hitherto to reducing rents on the land-for-settlements land, and I would not like to make any suggestion on the matter.

173. Would you say that these men have had great difficulty in meeting their rent in the past ?—Certainly, on the runs.

174. *Mr. Hall.*] Your remarks about cropping apply to Canterbury only ?—Of course.

175. Do you consider that the Board should have discretionary power as regards cropping ?—Certainly.

176. And that it would be a mistake to allow overcropping ?—Up to the point of deteriorating the land, yes.

177. Do you consider, on the other hand, that the growing of green crop for consumption on the land should not be reckoned as a crop at all ?—The experts on our Board do not treat green crops as a crop.

178. Does not the regulation restrict the tenant to one green crop ?—Yes ; but the Board does not.

179. I understood you to say that a young man of twenty-one years of age is disallowed to compete if his father succeeds at a ballot ?—Not more than one son ; that is our view of the matter. We have had guarantee from a father that he would put his son on the land and find the money ; but, in examination, we discovered that after finding the guarantee for the son the father had nothing left for himself and family.

180. On the whole, are the lease-in-perpetuity tenants in Canterbury contented ?—Certainly.

181. There is no great claim for the option of the purchase ?—No, not as far as my personal knowledge goes.

182. Would they be more satisfied if they had the right of paying off a portion of the capital so as to get rid of the restrictions ?—I may say that I have travelled over every settlement, and have seen practically the whole of the settlers under the Land for Settlements Act, and until the last few months, I only heard the matter of the freehold mentioned by three tenants.

183. I mean as to paying off a portion of the capital ?—They have never mentioned that to me in any of our interviews or conversations.

184. If the interest of the tenant became as great as the interest of the State, then there need be no restrictions as regards the farming of the land ?—In my main evidence, I stated that I did not believe in that at all, and I gave my reasons for it.

185. Are the areas of the sections as a rule right as to extent, or should they be larger or smaller ?—They are laid off according to the character of the land and the requirements of the various classes of would-be tenants.

186. Would you approve of the single ballot so that no one would be compelled to take a section he did not apply for ?—Yes, I said so in my main statement.

187. *Mr. Johnston.*] Did you say that you heard no complaints against the tenure, and that the tenants are all satisfied, and there was no asking for the freehold until within the last two or three months ?—That is so. Only three tenants mentioned it to me.

188. As to the classification of land, do you not think there is a fault in the present method of classifying land as to quality. For instance, at Eltham, the flat land is first-class land, and a man is allowed to hold 640 acres, and away back at Strathmore, where the land is also classified as first-class land, a man is also only allowed 640 acres : is there any comparison between the land as to quality, commercially speaking ?—No.

189. How would you propose to reclassify land properly ?—I have not considered that question.

190. Do you not think it is necessary that it should be reclassified ?—Yes.

191. Do you approve of people in towns taking up land for the benefit of their children and themselves in their later years ?—I would not object to that in outlying districts so long as there were not people prepared to take up that land at once for the purpose of living there in the near future. In the case of a man with a family who was prepared to go on the land at once, I would give him preference over those in the towns who could only go on the land perhaps ten years hence.

192. How would you provide for people in towns who wish to take up land for themselves or their children ?—There is an element of speculation in that.

193. There is a danger of speculation, but I am assuming that the thing is absolutely genuine ?—I would only provide it in the way I say—namely, in outlying districts and what are termed back blocks.

194. When small grazing-runs are surrendered are they put up to auction ?—When surrendered they are thrown open for application : but auctioned when the tenant under an expiring lease has been offered a renewal and declined.

195. Why are they put up to auction and not other Crown land? Do you not think that is a mistake?—I think they should be thrown open for application in the same way as other land.

196. Have you had to lump together many of these grazing-runs?—No, I do not know of a single case. I may add that at Cheviot in two cases grazing-farms did not go off, and the people adjoining were allowed to take them up.

197. Are those the only instances?—Yes, but those are not small grazing-runs.

198. Do you think it is desirable to cut up a run and then lump it together again?—The grazing-farms in question were lying unselected for some time, and, as I pointed out with respect to the Cheviot lands when relet, in some cases the holdings would have to be divided again.

199. Would you object to the owner of a small section applying for a larger area on condition that he sold the smaller section?—Yes, I have recommended that in my first statement.

200. You make it a practice to accommodate settlers by having the meetings of the Land Board sometimes at Timaru?—Yes, in the last three years we have had four or five meetings at Timaru and Waimate.

201. Have you found it satisfactory?—Yes.

202. In the cutting-up of runs, has the aggregate rental subsequently received at any time been below the rental previous to the run being cut up?—There is only one case I know of, and that was before my time at Ashwick, near Burke's Pass. The better part of the land was taken out and put into two small grazing-runs, and in respect to the back part, nobody would now be likely to take it up except the adjoining runholders.

203. Is that the only instance in your district of a reduction in the aggregate of the rents?—I do not know that that was really a reduction in the aggregate of the rent as the runholders took up the back parts of the run at a smaller rent and the front part at a little advance.

204. Would the Crown gain any advantage?—Yes, possibly it would gain a little advantage so far as money was concerned.

205. Would you approve of granting the freehold to the big runholders in Canterbury?—No.

206. Do you get many requests asking you to cut up the large runs?—I do not remember any petitions during the three or four years I have been there.

207. Do you not think the winter country in these big runs has been taken away quite sufficiently already?—I do.

208. And it is not advantageous or in the interests of the country to take any more away?—That is so. There may be one or two instances where the run may be divided, but taking them as a whole, the Canterbury runs are small enough for the low country they have; in fact, the low country that is being worked now is mostly freehold.

209. The poor or high country is being lost because of the want of sufficient winter country to work with it?—Yes.

210. Would you advocate systematic planting of trees in any of that country?—There are parts that might be planted, but in other places there is sufficient planting done already.

211. Would it be an advantage to the colony if the Government undertook the planting of large areas or gave grants to County Councils to assist them in planting areas in certain districts?—The County Councils have grants given to them now. They get revenues from the land in the Mackenzie country, and are planting trees there.

212. Do they do so with advantage?—Yes.

213. It has been successful?—Yes.

214. You gave us a list of transactions that have taken place under the Land for Settlements Act, but you did not give us the amounts. Has there been much profit over and above the improvements?—Yes, I have given the figures in my main statement.

215. Do you consider that the number of members of the Land Board at the present time gives fair representation to Canterbury?—Yes.

216. But supposing the land district was cut into four, do you consider the number would be sufficient representation of the various interests in that district?—Quite sufficient.

217. Has the homestead-settlement system been a success?—It has not been in operation in Canterbury.

218. Would you advocate it being brought into operation in Canterbury?—No, I do not think there is necessity for it there.

219. Generally speaking, has the advances-to-settlers system as far as you know given satisfaction?—I have heard no complaints about it.

220. Are there any unreasonable requests that have been made to the Board for transfers?—Yes; some of them have tried to transfer even before the twelve months are up, and we invariably refuse them.

221. Do you think there are considerably inflated values given for such transfers?—That is so.

222. Have you ever known of an instance where a tenant—I do not mean exclusively in the case of Canterbury—has bought into a holding and after has had his rent reduced, and subsequently the section bought over and above the improvements?—No.

223. Do you not think it would be advisable for the Crown Lands Rangers to keep a record of the tenant's output of grain and of his stock?—I do, as far as stock is concerned. He always has that.

224. How many sections were offered at Cheviot under the freehold system, and how many were taken up?—I cannot say, but I will supply the information if you wish.

225. Are there any deferred-payment lands in Canterbury still running?—There are nineteen sections.

226. Is there much rent in arrears in Canterbury?—No; it has been less this year than it has ever been before; that is in proportion to the amount of the rent.

227. Do you approve of the rebate in the rent?—It brings the rent in.

228. *Mr. McCardle.*] In respect to the ballot, I understood you to say that a young man of twenty-one years of age was rejected : was it only on the score that his father was unable to guarantee him ?—Yes.

229. Do you not think it would be a legitimate thing if a young married man could go into the same block as his father ?—I do not look on a young married man as of the same family. I should consider him as quite distinct.

230. Do you not think that settlers' sons brought up to pastoral pursuits should be encouraged to establish homes for themselves ?—Yes.

231. Do you not think that these men make the best possible settlers ?—We find that those we call the "croppers," and who are experienced, have been anything but a success. They will persist in their cropping, and have no other desire.

232. With regard to cropping restrictions, do you not think it would meet the case if you made it a condition that where a man put in an extra crop he should also put in so-much manure ?—No. I think that we should take every case on its merits. Our expert Board is opposed to making such a condition.

233. Would not what I say be taking the case on its merits ?—Our land in Canterbury does not need manuring to that extent.

234. Do you not think the best way to guard against overcropping is to insist on a certain amount of manure being put in ?—If a man wanted an extra crop, and was going to let the land lie fallow this year, he would not be asked to put in manure in such a case.

235. What would be best in the interests of the country if you are going to exercise restrictions ?—That is clearly a matter I leave to the Board. I do not pass an expert opinion on those matters.

236. But I presume you have an opinion of your own ?—I have, and my opinion is that every case should be taken on its merits. There are cases where it would be a necessity to manure the land, and the Board when then insist on its being done.

237. Are not there cases where they ought not to insist ?—Yes, certainly.

238. *Mr. McCutchan.*] There was a statement made by one witness that there were very few original settlers of Cheviot who are there now ?—In my statement the other day, I said that one-third of the sections have been transferred, but on looking into the matter a little more closely I find that the proportion is even less than that. There are nearly three-fourths of the original settlers on Cheviot at the present time.

239. And they are quite contented and prosperous ?—Yes.

240. Is that the case with the rest of Canterbury ?—Taking Cheviot and the lands for settlement selected during the last ten years, there are just three-fourths of the original selectors on the land.

241. *Mr. McLennan.*] With reference to the question Mr. Johnston asked you as to whether people in town should have an opportunity of taking up sections in the back blocks provided that they put double improvements on the sections, in your opinion, do you think that is advisable ?—I think something of the kind would be a good thing to do. As I said before, I would not allow a person to do that where there was a man with a family wanting to go on the land. I think he should be considered first.

242. But there are men in the towns who could easily afford to make those improvements to their holdings, but at the same time are unable to reside there without losing good employment. They might have boys who would like to go on the land eventually, but at present they are debarred from taking up sections in the back blocks. Would you give those men the opportunity of getting sections ?—I can only repeat that I believe in encouraging them, but I would not like to see them standing in the way of the man who wants to go on the land and live there.

243. If a certain area of land was opened up, do you think they are justly entitled to a holding on condition that they should put double improvements on it that are necessary under the Act ?—Yes, subject to the conditions I have stated.

244. Do you think there is any land in the North Island which has been under crop for forty years in succession ?—I could not say.

245. You have been in the Auckland Province ?—Still I should not be able to tell you that.

246. You know there is a good deal of land in South Canterbury which has been in crop for fourteen, fifteen, and sixteen years : do you not think it is desirable to do away with the cropping-restrictions altogether ?—No.

247. Why ?—That is my opinion from the experience we have had and from what I have heard from the experts.

248. Seeing that the tenant had 33 per cent. of the improvements on the capital value of the land, you would not think he would be inclined to spoil the land, would you ?—What might be done if a man has been in possession of the land for ten or fifteen years is another thing altogether, because then you find out whether a man is the genuine settler or only occupying it to get all he could out of it.

249. If he was in possession for ten years and had 33 per cent. of the capital value besides the goodwill, would you be inclined to give him full control providing he would always keep the land clear of noxious weeds ?—I do not think there would be any great objection to it, but I would not like to say positively.

250. As a man who has a great knowledge, do you think that this restriction is going to continue for 999 years ?—No.

251. Is it not just as well to take it off now and give satisfaction to the tenants, say, at the end of the first term of ten years ?—That is what I am saying. I would not like to speak positively, but I would not like to do away with it under that time.

252. The man who has a Crown lease is compelled to comply with certain restrictions in that respect, and I suppose it is not necessary in his case to demand certain improvements ?—We leave them alone after ten years.

253. I mean under the Land for Settlements Act?—Yes, something of that kind might be suitable.

254. *Mr. Paul.*] Do you favour the ballot system as against the tender system or auction with the suggestions you have made?—Yes.

255. While the Commission was travelling through Canterbury several witnesses advocated a second Land Board: do you think that is necessary?—Not in Canterbury.

256. Do you think the Ranger is asked under the regulations to do anything which injures the tenant so far as making him feel he is a slave or serf?—Oh, no; a capable Ranger would never do that.

257. A Ranger is not called upon to do anything that you, for instance, would resent if you were a settler?—No.

258. There is another demand made that the Timaru Land Office should be open daily?—I do not know that it would justify the expense. It would mean putting an officer there. It is open now every Saturday for the country people.

259. Do you think that meets requirements?—I think it does, as there is railway communication twice a day.

260. Mr. Johnston mentioned a case as to the reduction of rent in a certain case, and one witness swore that the rent of a lease in perpetuity held under the Land for Settlements Act had been reduced: is that correct?—I do not see how it could have been done. There is no law for it.

261. What provision is there for subletting on an improved estate under the Land for Settlements Act?—A man can sublet, with the sanction of the Board, in the case of the ordinary rural land, but he cannot sublet in the case of workmen's-home settlement. That is prohibited by the regulations.

262. Do you think it would be wise to dispense with the examination as to a man's financial position under the Land for Settlements Act?—No.

263. Do you inquire into the financial position of a man who is buying in?—Yes.

264. In the south, and also in the north, tenants have complained that there is no right of appeal under the Land Act: is that so?—No. A tenant can appeal to the Supreme Court on giving notice within a certain time.

265. There have been objections to the Land Board not allowing a tenant to hold up to 640 acres of first-class land. If they held about 200 or 300 acres they could buy their neighbour out, but under the Land for Settlements it is not permitted. Do you think a Land Board might be given discretionary power in these cases?—It is permitted, so long as the land adjoins, and if the Board is satisfied that the original holding is insufficient for the maintenance of the tenant and his family.

266. Do you think it would be a mistake to lay down an absolute rule on the subject, that a man can buy land in any of these settlements up to 640 acres of first-class land?—It should be in the discretion of the Board as it is now. The Board should first be satisfied that the man is unable to make his living on what he already holds. In the case of some of the sections at Albury, on which it was patent a man could not make a living, the Board allowed those people to buy out their neighbours, but if it had been £20- or £30-an-acre land, possibly they would not have been permitted thus to aggregate.

267. Do you not think it would be a grave mistake from the country's point of view to have three farms grouped into one so that one holder could make a very good living?—Certainly. The Board endeavours to keep the settlements so far as their subdivisions are concerned intact, but there are special cases where amalgamations are allowed. The Board has allowed thirty amalgamations in the case of small areas such as from 10 to 50 acres.

268. Mainly with very small areas?—All small areas.

269. Do you not think it would be very unwise to give the Rangers any further powers of an inquisitorial character?—I would not give them any more powers. The Ranger has quite sufficient power if he is a tactful man. I am glad to say that our Rangers are really very capable men, and have no trouble with tenants, with whom they are on good terms.

270. Do you not think that generally speaking it is wise that the Ranger shall just get the information which is absolutely necessary?—The information he gets is always of a necessary character for our annual reports. It shows the condition of the settlements and the advance made, the quantity of crops, and the stock. We have always been able to get that without any friction.

271. You must admit that everything depends on the Ranger?—Yes.

272. As regards cropping, you necessarily find that out because he has to comply with the cropping restrictions?—Yes.

273. We heard in one or two cases tenants ridiculing the idea of one Ranger being able to get over the large tract of country Mr. Williams had, for instance, although the general testimony was that Mr. Williams carried out his duties in a thoroughly satisfactory manner. Do you think that generally speaking the Ranger's duties are too onerous?—At the time that complaint was made a third Ranger had been at work for six months, and evidently the complainant was not aware of it. There are quite sufficient now.

274. *Mr. McCardle.*] Do you think in the case of poor settlers on country and small areas, that there ought to be an amalgamation of two sections to enable them to get a suitable holding to get a living. Taking the case of Mayfield, do you know it is very poor country?—Yes. There would be no difficulty there about getting two sections, they are ordinary Crown lands.

275. They are leased under the lease in perpetuity?—There would be no difficulty.

276. *Mr. Anstey.*] With regard to loading, more especially in the north, I notice in your report, although generally speaking the loading is small, there is nothing like the amount spent. In the case of Pareora No. 1 the loading is equal to 1d. per acre, but the roading is nil. On Highbank the loading

is $\frac{1}{4}$ d. per acre, and five miles and three-quarters of road have been constructed. How is that explained?—You must bear in mind that they had to deal with twenty-two miles of old roads as well, which is shown in the statement.

277. Does that include dealing with the old road as well?—Yes.

278. In the case of Pareora No. 1, has that 1d. per acre all been expended in repairing the old roads?—Yes, and a lot more in the shape of grants. The grants are not included in the amount shown there.

279. Within your knowledge, has all the loading here mentioned been expended?—I think there are a few pounds in hand in one or two cases. In Rosewill there are over one hundred miles of road, and the County Councils in the case of the old roads have provided pound for pound. This settlement having been only lately acquired the bulk of the money for roading has not yet been spent.

280. There has been a good deal of doubt as to the right of a lease-in-perpetuity holder to leave his property by will: will you explain the true position of that matter?—On the death of a lease-in-perpetuity holder who leaves the leasehold by will, there is in the ordinary course a transmission to the executors, over which the Board has no control. Since two of the Commissioners spoke to me on the subject yesterday, I have ascertained that the opinion of the Crown Law Officers has been obtained on this question, and it is to the effect that the acquisition of the property by the devisee from the executors is a "transfer," and consequently needs the approval of the Land Board. The approval appears to be in a degree somewhat of a formal matter. I am not aware of the practice followed in most of the districts, but I believe that in Wellington, as well as in Canterbury, the District Land Registration Office has hitherto dealt with such cases, and the change of proprietorship is recorded in the books of the Land Office.

281. In case of its being left to the wife, you have to approve the transfer?—We have not done so yet. There are several widows so situated in Canterbury, but we have had no trouble in their cases. A widow can apply for transmission, and with the consent of the executor obtain it, in which case it would not be a transfer, and presumably would not require the approval of the Land Board.

282. Supposing a man left 400 acres to his wife, would she be unable to hold it?—No, she could apparently hold it legally.

283. Is it a fact that if the legator held 630 acres he could leave that 630 acres to another lease-in-perpetuity settler who also held 630 acres?—That is a new phase of the question. I think it would become a matter for the Land Board to consider, but such a case has not yet arisen in my experience.

284. In that case a man can hold 1,279 acres of first-class land under lease in perpetuity?—If a question of that kind arose it would be for the Board to consider whether that should be held to be outside the limitation.

285. Could you refuse it?—I could not say. It would have to go before the Law Officers.

286. As a matter of practice the Board do not in any way interfere?—No case has arisen where it has been necessary for the Board to interfere.

287. In your experience, can a lease-in-perpetuity holder sell his holding as easily and as readily as a freeholder can sell his?—If all the conditions of his lease are fulfilled he can sell quite as readily.

288. How many transfers have there been in the Canterbury Land District under the Land for Settlements Act?—The total number of transfers is 512, but it must be remembered that some of the sections have been transferred over and over again.

289. That is to say, at least one-third have been transferred?—Not a third of the sections, because, as I have said, some sections have been transferred several times.

290. Has there been that proportion of transfers of freehold in your district do you think?—There probably has been.

291. Would you infer that the lease-in-perpetuity sections are more readily transferable than freehold sections?—Personally I think a lease-in-perpetuity man has a much better chance of selling than a freeholder, for the reason that as there is no capital value to pay there would probably be many more people after his leasehold than if it were a freehold.

292. In the case of a lease-in-perpetuity holder transferring, does he get as full value for his interest as a freeholder would do?—I should say, quite.

293. Then you mean to say that the amounts paid for goodwill are fully as much as they are worth?—I believe they are.

294. Then a lease-in-perpetuity settler is under no disadvantage so far as the value of his section is concerned when transferring?—No, I think he sells better than a freeholder. Of course a man purchasing from the freeholder has to borrow money at 6 per cent. or 7 per cent., whereas a lease-in-perpetuity man has his capital at 4 per cent. or 5 per cent. in the case of land-for-settlements land.

295. In all forms of leases under the Crown I notice that the tenants have full security for improvements?—Yes.

296. Do you think that principle ought to be extended to all tenants, including private tenants?—That is a difficult question.

297. Do you not think that property created by the tenant should belong to the tenant?—It would be necessary to look at it from this point of view: does the tenant hold the land at a low rental to compensate him for putting on improvements? In the early days education reserves were let with the understanding that there would be no protection for improvements at the end of the leases, and the tenants on that account got their land at low rentals, but in that case there was no compulsion on the tenant to improve.

298. Now to come back to the question I asked you: do you not think it wise that every tenant should get something to encourage him to improve his holding? Is it wise that the land should be allowed to lie idle for want of improvements?—In the case of public lands I think the tenants should have full security for improvements.

299. Do you not think the same principle should apply to private land?—That is a question I could not answer.

300. Do you, as a Land Board, visit your tenants periodically—that is, apart from the visits of the Ranger?—There is an understanding now that the Board will do so. The Board has visited the largest settlement we have—viz., Waikakahi, and also Albury, Chamberlain, and other places.

301. In the past that kind of thing has not been done?—No, but the Board has resolved to do so in the future.

302. Do you think that will have a good effect on the tenants?—I am sure of it.

303. *Mr. Forbes.*] In the roading figures you have given I do not see the cost of roading on Cheviot?—I can supply the figures.

304. On Cheviot there were a great number of sections offered for cash—nearly half of them—and there were only three cash sections taken up there?—I know there was only a small proportion.

305. Do you not think that is a proof to some extent that the demand for the freehold has arisen from the improved value of land?—I should not like to speak confidently upon that, because we have to judge according to the conditions. The conditions at the time Cheviot was opened were altogether different from what they are to-day.

306. Farming was not such a profitable occupation at the time Cheviot was taken up, and land has gone up considerably since then?—Yes.

307. And it is only of late years we have heard this demand for the freehold: might one not infer from that almost that this was due to the improved price of land?—I could hardly answer that question.

308. When a man wishes to purchase the goodwill of a lease-in-perpetuity section, do you make any stipulation that he must have a certain amount of money to pay for the goodwill and make improvements?—There is no particular rule, but the Board inquires as to his means, and if it is found that he has what they consider is sufficient to work the place they pass the transfer.

309. Do they consent in a case where a man says “I can raise the money to buy this man out”?—No, but they will allow him to mortgage a certain part of it. If he is giving £500 they might allow him to mortgage £200 of it, other circumstances being favourable.

310. You would not allow him to mortgage three-quarters of it?—Not unless he had something behind.

311. And in your ordinary examination you insist upon three years' rental?—What the Board does is this: As a basis they put three times the annual rental against each section. Then, at the sitting of the Board prior to the examination being taken, the particulars concerning the section are read out—so many chains of fencing, so many pounds for house, and so on. Take, for example, two adjoining sections. One has no improvements, the other has. The rental is the same in both cases. Say three times the annual rental is £300. There are no improvements upon that first section, and probably £350 would be placed on that. Then, coming to the next section, there is a house or cottage £85, yards so-much, fencing valued at £60; in such a case the requirements would be lessened because so-much is already done. Before the examination takes place the particulars of every section are carefully gone into and the capital required decided.

312. But you ask, as a general rule, that somewhere about three years' rent should be the basis on open ground?—Yes.

313. Then in the case of a section being thrown open and loaded with improvements do you insist upon a man having the money for improvements?—We should require him to have some. For instance, if the loading was £250 probably £300 would be required of him.

314. *Mr. Johnston.*] Did you hear Mr. Lyons's evidence?—Yes.

315. How do you think his suggestion would work in connection with large runs on a carrying-capacity basis?—I do not like to express an opinion on that.

316. You think it requires a great deal of consideration?—Yes.

317. Do you consider these large runholders should have some further concessions to enable them to put on improvements?—In Canterbury, as a rule, the allowance for improvements is nearly four times as much as they have on. They have not taken advantage of it, for in the thirty runs we have lately relet the improvements amounted to £11,000. Three times the annual rental came to £41,000, so that there was £30,000 they did not take advantage of, which should have enabled a lot of fencing to be done.

318. *Mr. Forbes* asked you a question about the examination of witnesses as to their means, and so on: do you allow anything for the experience and capabilities of a man in lieu of capital?—We give a certain allowance for that. I remember the case of two young fellows who were brothers. One came before us and his evidence was unsatisfactory. The other was a hardworking, straightforward man with experience, and he gave us the impression that he would make a splendid settler, and although he did not come up to the cash requirements we gave him a chance at the ballot; the other was rejected.

319. You think it advisable to allow something for a man's experience even if he has not the capital necessary?—We do.

320. *Mr. McLennan.*] In your experience does a Crown tenant put as much improvement on his property as a freehold alongside him?—I think the lease-in-perpetuity people improve quite as much as the freeholders; in fact a great deal more in many instances.

321. Seeing that there are so many transfers in Canterbury, do you think it advisable to prohibit those who have sold from going to the ballot for five or six years?—I think two years is sufficient.

322. At the present time it seems to me that some of them are making a business out of it?—Two years is a long time if you have to wait for it.

JAMES MACKENZIE further examined.

323. *The Chairman.*] How long have you been Chief Surveyor and Commissioner of Crown Lands for Auckland?—About one year. I was Commissioner in Taranaki for two years and a half previous to that, and altogether I have been in the service over thirty-eight years.

324. You have already delivered your statement before the northern division of the Commission?—Yes.

325. You might repeat it again to refresh our memories?—I will do so. [Statement repeated.]

326. You would leave the Land for Settlements Act as it is?—Yes; it is satisfactory. It is, however, not a prominent feature in my district. The only point is this: when a man, with a small area in a settled district near him, sees a block of land opened he might wish to get a piece of it for his sons, or even for himself, but he would like to make his present homestead the homestead for the whole of the land, and under proper precautions this, I think, is reasonable.

327. You think that after a tenant has improved his land to a very considerable extent he should be free from all restrictions?—I feel you should make all our leasehold tenants as free and contented as possible when they have highly improved their holdings. They all resent and magnify having to come to the Land Board about things which they think ought to be under their own control. I mean after they have thoroughly established themselves, and proved by complying far in excess of requirements their *bona fides*.

328. You refer to the homestead system as having been a success while it was in operation?—Yes; there have been 76,000 acres settled by some 400-odd people, and they all seem to have done very well. Of course, in those days they had a much better class of land to deal with than we have at present. I think the areas now would have to be larger because the land is poorer.

329. Do you not think a poor man on a large area of poor land would always be poor: would not some of the poor lands require a man with capital to bring them into shape?—That may be so in some cases and it would not do to give them all poor land. There are grasses that will take on the poor northern lands that would make the holdings profitable. Every one I have met who has had anything to do with the homestead system speaks highly of it and it is most popular.

330. *Mr. Anstey.*] With regard to the Auckland Land District you have suggested that there should be larger representation: do you not think it would be wise that the district should be divided either in two or portions cut off and added to other districts. Would that not meet the difficulty better than by adding members to the Land Board?—I do not think it would be practical to do it. Auckland has been established as a centre for all business, and then there would be great cost in dividing, in copying deeds, &c.

331. Would it be wise to have a sub land district: say, for instance, the North of Auckland to be a district under the control of a Sub-Commissioner with possibly a separate Board?—There might be some advantage in having something similar to what obtains at Gisborne. They have a sub-office there and the Board meets, I believe, quarterly.

332. It must be awkward for the Wanganui people to attend meetings in Auckland?—You can get from Wanganui to Auckland in twenty-four hours.

333. Take Hokianga and Kataia?—You can get to Auckland within twenty-four hours from Hokianga. There is a daily steamer from Whangarei, and twice a week the coach connects with train and steamer at Whangarei.

334. You say the district is rather large for adequate representation?—A Board of four is ample for the business, but people in these days often want a say in things from a local representation.

335. You think the creation of a subdistrict is worthy of consideration?—I would not say that the district should be entirely separated, but there might be Land Offices at, say, Whangarei, or other important centres, and it might be an advantage for the Board to sit there occasionally.

336. Do the Board visit the settlers at all?—Since I have been there they have done so twice, but they do not do it periodically.

337. The district is too large to do it?—I would not say that, as we could get through the district comfortably enough in the summer months.

338. That is being done in other Boards and with great profit?—I was not aware that it was a general practice in other Boards in the North Island, but it is a very wise thing to do.

339. Could the members of the Board devote sufficient time for the purpose of going through such a large district to make themselves acquainted with the needs?—I think so; I would prefer it to breaking up the district.

340. Generally speaking, you oppose the election of any member of the Board and only suggest it as an alternative for the election of one member?—Yes; I prefer the nominated system, but if they are going to have elected Boards at all I look at it that the State on the one part as landlord and the tenant on the other are the only two parties that need be considered, and the tenants might have, say, 25 per cent. of the Board.

341. Would it not meet the case just as well that one member should be a Crown tenant?—Certainly, it would.

342. Might there not be two Crown tenants both nominated by the Government?—I would not go beyond one unless Boards are enlarged. I would not prohibit two, but I think it would be better if only one Crown tenant was there.

343. I suppose it is absolutely necessary that people sitting on the Board, if not actually farmers, should be men thoroughly acquainted with farming requirements?—Most decidedly; the whole of them.

344. The Commissioner will provide the necessary expert office knowledge?—Yes.

345. With regard to workmen's homes, do you not think that these should be provided in smaller areas and close to the towns?—I think $\frac{1}{4}$ -acre sections would be better than nothing, but, if possible.

to give up to 3 or 4 acres to each section if the rent was kept down. It is the temptation to get more land that will take these people out, and they can go in for poultry-farming, &c., do a little work in slack times, also keep a cow; but I would not like to see them loaded with a heavy rent.

346. We have had evidence that men working in town can do no farming, and that all that they can do is a little gardening?—I do not quite agree with that. I lived outside Wellington for twenty-six years, walked three miles night and morning, did all sorts of work on my land, often including milking a cow, and I thought very little of it.

347. With regard to the poor manuka land, would it be wise for the Government, before throwing it open for settlement, to undertake experiments by burning off large areas, analysing the soil, sowing grass, and providing manure for bringing the soil to fertility?—I am not altogether an expert in that matter, but I think these soils might be tested by experts.

348. Would you favour, when opening up this poor land, the Government first burning off the manuka and sowing the grass before allowing a poor man to occupy it?—After having a preliminary test, I would like to see a little bit sown on each section—say, the best homestead-site of 20 acres—after having established by test that certain grasses will grow.

349. With regard to different forms of tenure: would it not be wise to make the residential conditions extend to ten years in all cases?—No; I think the occupation with right of purchase of six years' residence in bush long enough for all.

350. You mentioned some cases where lease in perpetuity have been given under different conditions: what were you leading up to? Do you think they have any claim to the freehold?—I do not want to say anything about that; but they are not on the same plane, and I want you to know the position.

351. You do not suggest that any of them have a particular claim to the freehold?—No. I do not wish to give any particular lead, only some have already had more concessions than others, and you might think they have had sufficient, and, possibly, in certain cases, further concessions might be granted.

352. What is the position of the thirty-years lease man at the end of the term?—He has security for improvements and the right of renewal, simply the perpetual lease of the 1885 Act.

353. Lands in mining districts are all under twenty-one-years leases?—Yes.

354. Does that in any way interfere with the mining rights on the leases?—No.

355. Do the twenty-one-years leases provide security for the tenants' improvements?—Yes.

356. How does the miner exercise his right: has he the right to mine on the land without compensation?—I believe, from memory, compensation for surface-damage.

357. Is that limited?—I do not think it is.

358. Does that work satisfactorily?—I have heard no complaints. All goes through the Warden first.

359. You suggest that residence conditions might be done away with in some cases: is it not a fact that the doing-away with residence conditions would in many instances be detrimental to the many people who do reside?—I would not do away with them everywhere. There would be a block open under these conditions. It is only in far-back districts I would suggest it; also prevent transfer except to members of family for five years.

360. Do you think it is wise that residence should be pretty well compulsory in all cases where there is good road access to the land except in exceptional cases?—I do.

361. Have you power under the Act to regulate residence?—Yes.

362. *Mr. Forbes.*] A case was brought under our notice in Auckland of the Board having forfeited a section at a man's death and dispossessed the widow?—I never heard of it.

363. Under what circumstances would that be done: would it be a case where the widow was really helped by forfeiture?—It might be that they had got hopelessly in arrears, and forfeiture took place to give her a fresh start, but I never heard of the case, probably it was before my time.

364. In all cases at a man's death, is it not the policy of the Board to deal as generously as is possible under the Act?—Yes; but no cases have really come up like the one you have mentioned that I can remember.

365. There is a homestead settlement, Te-Rar-a-moa, which is a failure, is it not?—I do not admit it a failure; the ragwort certainly has taken possession of some lots, and got beyond the control of some of the settlers.

366. Are the settlers residing on the land?—As far as I know they are.

367. There are residential conditions, I suppose?—Yes; but these may have been dispensed with in some cases.

368. The neighbours around were complaining that this special settlement was a breeding-ground for weeds which were getting on to their sections: has not the Government spent money there in clearing the ragwort?—Yes, perhaps £120.

369. What was done with that money?—The ragwort was cut down last February to prevent it seeding.

370. Was that a free gift to the occupiers of the land, or do they return the money?—Possibly so. It was simply considered that it was a menace to the whole country-side, and it was decided to cut it down for the public good, so to speak.

371. Do not the conditions of settlement provide for the clearing of these weeds?—Not in this particular tenure, except through the ordinary channel of the Noxious Weeds Inspectors.

372. You have not the same conditions as under the Land for Settlements Act, under which you could compel a man to keep down noxious weeds?—No.

373. The settlement, as far as you know, is a success?—I know nothing against it except through the noxious weeds.

374. It seems they are hardly working up to the spirit of the thing when the Government have to clear their land of weeds?—It was not quite because it was a failure that they did that; it was simply that the weeds were doing damage to the surrounding district, and prompt action was necessary.

375. Would you say that the Board should have power to call on the tenants to clear their land of noxious weeds?—I think it would be a desirable power to have in regard to all Crown leases.

376. The Matamata tenants complain that they are liable to forfeiture because of cutting scrub. Is there not some misconception as to the meaning of that?—I can only think that the word “scrub” is brought in there to give us power to protect Native bush. We have never dreamt of stopping men cutting scrub.

377. The tenants point out that as one of the disabilities they labour under: do you not think it should be made clearer?—There would be no harm in striking it out; it has never been enforced, and I do not think it frightens any one.

378. In reference to the poor land in the North of Auckland, what system of farming do you think it suitable for that class of land? We have been told of fruit-growing, vineyards, &c., as the only way of bringing it under cultivation. If that is the only system of farming to be applied to that land, is there any need of cutting it into large areas?—You saw for yourselves that danthonia was running there of its own accord, and with a little encouragement in many places might be brought under this grass and made reproductive.

379. You do not agree that the only way to bring it under cultivation is by fruit-growing?—I am not a practical man in that respect, but we are told that danthonia and paspalum grow on a lot of that country very well.

380. Have you tenants in those poor lands who are successful?—I do not know of any personally, but I would not like to say there are not, as I have only been a short time in Auckland.

381. We were told before visiting the district that the North of Auckland was the fruit-growing district of New Zealand, but we came across very little that was being done in that way?—Beyond a few decent orchards in which the fruit is doing pretty well, they have not been making a business of it, but the Commission must have noticed that wherever fruit was tried it did well, and we were kept in free fruit all through our northern tour.

382. The application of the Homestead Act to these poor lands would be a mere matter of experiment?—Yes, at first.

383. We were told that a poor man was not able to do anything on these poor lands?—At Mongonui, a man said that even on poor land, by sowing danthonia, he could run three-quarters of a sheep to the acre on land that he only paid 4 per cent. on 10s. an acre for. If it can do even a quarter with moderate expenditure, it looks as if there was something in it.

384. Do you think you would be justified in trying to settle poor men on these lands?—Not without testing the land first.

385. In settling back country like Kawhia and places like that, do you not think roading should precede settlement, or at any rate go hand-in-hand with it?—I think most decidedly if the finances would allow it, that at least the main roads should be laid off through these blocks, and the land loaded sufficiently to make them.

386. When land is let at a low rental or given away for very little, it is not so much appreciated as if a fair price were charged?—I know the settlers would be better satisfied with that, but often there is not the money available.

387. Do you find when opening up Crown lands there is a good demand?—Generally, if the land is good, or moderately good.

388. There is no reason for offering special facilities for settlement: under present conditions you have plenty of applications?—As you get further back you find your land does not go off, and encouragement is needed.

389. Would not the want of roading militate against settlement?—Yes, it does. The further you go back you find people hesitate about going further back, and people want inducement to go back. It is the want of roads that does that.

390. If you opened up with proper roads there would be no difficulty?—I do not think there would be if the land were fairly good.

391. It is not absolutely necessary for the settlements themselves that three years' exemption should be allowed. Is your idea in the direction of giving men in the towns a chance?—It gives the poor man in the town a chance. As the law is at present, if a man is rich enough to take up land and is not forced into residence, it seems reasonable that the poorer man who goes into a leasehold should have the same opportunity, and perhaps he will get his sons on to put in a little labour. It would only apply to the far-back land.

392. Do you think that the cash system applies to that class of land and meets his wants?—I would like to meet the poorer man as well, who may be just as deserving and with moderate means; that is my object.

393. You mentioned about the examination of applicants under the Land Act: is it not necessary to have a certain amount of capital to take up bush land as it is to take up improved lands?—No, sometimes it is not, because the land is cheaper.

394. How soon would you say it is possible for a man to get a return from bush land?—If he has got money, and could fell all the bush quickly, he may get it in the first or second year.

395. Would you say he gets a return from the portion he knocks down?—If he is lucky with his burns, he may get it the next season. I know of one place where a settler got his stock on the next spring.

396. Would you say there is not so much capital needed?—If he is going to knock the whole down it would need it. But you often see men felling 20 or 30 acres, and the next year, getting a little more,

they then get a house up and get along gradually ; they live on very little. In the back blocks you find families living on 10s. or 12s. a week.

397. You have found men with very little capital making a success of it?—Yes. I have known men in Taranaki starting with very little, and they have got good homes about them now, and seem to be all right.

398. The further you go into the land away from settlement it would need more capital in order to get supplies in?—You often find men away back getting a little roadwork to help them ; they may get work from richer neighbours in the felling season to help them.

399. We find people holding 1,000 and 1,200 acres of bush : do you think that is rather a large amount of bush land to give to any one man?—No, I do not think so ; 2,000 acres is the legal limit, and if a man sees his way no questions are asked ; in fact, there is no right to do so.

400. It takes £4 an acre to knock it down?—But the man may be looking forward to getting his boys as they grow older to help him with their labour. Three pounds is ample for felling and grassing. A man, say, takes up 1,000 acres, and at 10s. per acre that is £500 capital value. He may have a family of boys, and he may have the view of breaking it up later on for them ; his rent would only be £20 on lease-in-perpetuity tenure.

401. It means that the bush land is held for years?—It is astonishing how it gets down when you get a genuine man on it. With the speculator it is a long time, as he waits for a road and blackmails the genuine settler if he can.

402. You have not got an opinion about limiting?—I think I would not limit it. I do not think 1,000 acres of bush is too much when the man sees his way ; 1,000 acres of bush is no uncommon thing for a man to take up with even small means.

403. In connection with the Kinohaka and Mangamangero Blocks, they say the Government has broken faith in the tenure : do you consider it to be so?—Where there is sufficient evidence of coal existing in the land, it is provided in the Land Act that the Board should only give lease-in-perpetuity tenure, and I think it is a very proper provision. Providing there is reasonable evidence of coal, I think that is the right thing to do. I did it myself in the Ohura, and would do it to-morrow so as to protect the State and the people. It is not the Government who does that ; it is the Commissioner and Land Board, and I take the responsibility of recommending it first to the Board. I am not familiar with the Kawhia. On the block I referred to there was some evidence of coal. A settler in Kawhia told me recently that on his own section coal was found, and it was understood that it was to be kept with lease in perpetuity ; but it was outside the limit, and secured an occupation with right of purchase. This only proves that the lease-in-perpetuity tenure did not take in all the coal-bearing land.

404. It was clearly on the understanding that there was minerals on this block that the lease-in-perpetuity tenure was offered?—Speaking of the Kawhia Blocks, I have no knowledge of it personally. It was offered years before I came, but the Act says that where there is reason to believe there are minerals, it shall only be let as I have indicated. Besides, all these areas were originally purchased as endowments for the North Island Main Trunk Railway, and the spirit of the Act governing their disposal is that the tenure should be leasehold.

405. Can you give any explanation of this grievance of ten settlers at Paeroa. Has your Board forfeited any sections?—No.

406. For non-payment of rent or any other cause there?—No, I think not.

407. For non-payment of rent or any other cause in ordinary lease-in-perpetuity sections?—Oh yes, I think we have.

408. Has it been for non-payment of rent practically?—No, practically for lack of improvements or lack of residence, or through people abandoning, and very often for surrendering ; within the last few months for non-payment of rent, only we do not forfeit.

409. That principle has been brought in lately?—Yes, that is the instruction.

410. You exhaust the value of improvements before you forfeit?—No, we do not forfeit at all, but take other means.

411. In connection with settlements and swamp land, of which you have a large area under your charge, do you think it a reasonable thing to have that properly drained?—I think it should be drained, and that we should have such main drains that the settlers could connect their drains with them, and a reasonable price loaded for the cost.

412. What about more security being given to holders of pastoral leases?—There is the annual valuation which Mr. Humphries mentioned to you to-day. The same thing applies here. Of course they get their land for very little, so they have an advantage in that way.

413. You think there is no necessity for altering that?—No. I think you must keep in view that the letting under purely pastoral tenures in the north is temporary tenure, but of more use than allowing them to lie idle. It is generally the very poorest of our country that we deal with in that way.

414. Do you think it reasonable to divide the lease in perpetuity amongst members of a family with Land for Settlements sections? If a man wished to divide his land amongst his family on his death, do you think that provision should be allowed?—I think it perfectly reasonable, providing they did not make the holdings too small.

415. *Mr. Hall.*] How do you classify lands throughout the colony. Is it one standard throughout, or has each province its own standard as regards the quality of the land : would there be a second-class land in Canterbury that would be classed first-class north of Auckland?—That is governed, I should say, by districts. If a man could make his living out of 300 acres I would cut into 300-acre sections, and, possibly, call it first-class land. But, in Canterbury, it would be considered too hilly to be classed as such.

416. Is the great drawback to settlement in the back blocks the want of roads and the want of

assurance for maintenance of roads?—Well, I would not say it is the only one, but want of roads is the main drawback to far-back land.

417. The Government having made main roads through the back blocks, and loaded the lands to cover the loan, would it not be better to furnish an assured revenue by subsidy rather than by grant? If it was fixed on some assured principle—and I mean by “assured” fixed for a year or two in advance—so that the settlers would not be in doubt, even for six months ahead, whether they would grant a subsidy or not?—I am afraid I do not understand it exactly. You mean some fund they could always draw upon for road-making.

418. There is supposed to be a subsidy for road-making, but it is of a very uncertain kind?—You refer to local bodies?

419. Certainly?—Well, I have not had experience of quite what you mean.

420. I mean that instead of a grant there should be a subsidy?—Well, I have not thought that phase of it out. Of course it is common enough for the Government to subsidise local efforts by special grants.

421. If it were done and the rates of the local bodies brought in the full amount, and the money was obtainable without loss to the State, would it not help settlement?—Of course it would, and I believe in local bodies borrowing on “thirds.”

422. With regard to Patetere: the bulk of that land is very inferior, and hardly fit for settlement?—I hardly agree with you as I consider most of it could be made available for settlement of some sort or other, except the forest, which will be milled in years to come at least I hope so.

423. And some portion of it might be made available for the purposes of a State farm?—Yes, if needed, but I have not heard it suggested.

424. As regards sites for workmen’s homes, the land in Auckland obtained for that purpose is very inferior?—Some of it is of inferior quality, and some of it good enough.

425. Would it not be much better to set apart small portions of good land rather than larger areas of inferior land?—I do not favour $\frac{1}{4}$ -acre sections, but all land should be good.

426. Would not a $\frac{1}{4}$ acre of good land supply all you want for vegetables, garden, and orchard?—If a man does not want anything more than a cottage and a moderate garden, I say Yes, but if he wants a little more I should say, Give him 3 acres, provided it does not make the rent too high.

427. *Mr. Johnston.*] What is the area north of the City of Auckland, roughly?—I could not give you that without looking up maps, &c.

428. Can you give us the area of pipeclay land north of Auckland?—No.

429. Is two-thirds of the land north of Auckland pipeclay?—I certainly would not think so.

430. Do you think half of the land north of Auckland is?—I have not taken it out, and cannot help you.

431. You have an idea, surely?—No, I have not.

432. Well, there is an immense area of pipeclay north of Auckland?—There is a good deal, but I have made no close examination.

433. Do you not think that it is a great mistake considering the riverways and waterways north of Auckland for any Government to waste money in roading that useless land?—That is a matter of policy; I do not care to answer that at present.

434. You admit that this land is not worth loading for roads?—Well, there is a good deal I would not load; but the whole question requires going into carefully before I would care to answer your question.

435. Can you account for so much freehold land lying idle and covered with manuka in the Auckland district?—No.

436. Is there not a large area of land north of Auckland which was originally under cultivation, and is now lying idle under manuka?—I cannot say definitely, I have no personal knowledge.

437. Is there any considerable area which in time past has grown wheat and has now manuka standing on it 10 ft. or 12 ft. high?—I was told of some at Kaitaia, but I have no personal knowledge. I consider it would be good land that would carry manuka that height, and would grow wheat again.

438. Can you account for the want of improvement about the farm lands north of Auckland?—No, I cannot.

439. Is there much dummyism?—Well, we have had to forfeit for dummyism. There are people who go in for unimproved lands, often with milling timber, and they do not carry out their improvements, and we have had to close down on them. We have had, perhaps, a dozen such cases.

440. Do you not think the settlers generally north of Auckland are well served by waterways?—They are well served as compared with the people in Taranaki and other southern Auckland districts, but, of course, I should like much better roads than they have got all the same.

441. Do you not think they are much better served than the Taranaki settlers are?—Take it *in globo*, I suppose they are, but the land north is poorer.

442. We heard a lot about fruit-growing up there: how is it, or can you account for it, that it is in such a poor way: at Whangarei we were given to understand they import vegetables and fruit from Auckland during winter?—I do not know how it is. I cannot account for it. I know that if I lived at Whangarei I would not import much, the land is good enough. I suppose they do not give it sufficient attention. I saw fruit-growing on very poor land towards Helensville, and they seemed to grow fruit easily there, and at other places. In orchards that we all noticed in the far north they would not even collect their apples.

443. Do you not think there is a great want of energy on the part of those settlers compared with the Taranaki settlers, for instance?—I should not like to say that; neither you nor I in flying through a district know what early settlers had to contend with.

444. *Mr. McCutchan.*] In connection with the Bush and Swamps Act, would it be reasonable that settlers should be called upon to pay rates when they are exempt from rent for four years?—

It is seldom that you hear of settlers complaining that they have got too many concessions. The provision in the Act was no doubt passed with the best of intentions, and I hardly see why, if they are very anxious to spend the rates, they should not raise a special loan, and keep the relieving Act intact.

445. But they may not have the local body to administer it?—I have never heard that phase of the question raised before.

446. Mr. Humphries made a statement that perpetual-lease holders under the Act of 1885 might purchase at any time: has that been made known generally to perpetual-lease holders?—I do not know whether that is so or not.

447. Mr. Paul.] What was the real cause of the failure of workmen's homes in Auckland?—I do not quite know; the land is poor, but I rather think it was because the railway did not run to suit them. The land grows potatoes and fruit well. I have not been in charge of the district long enough to know what the real reason is.

448. In view of the success of some of the homes in the South, say at Christchurch, can it have been the tenure that was the cause of the failure?—I do not think the tenure has anything whatever to do with it. Tenure, in fact, wherever I have been has never impeded settlement.

449. Do you think that poor land in the North of Auckland would be taken up under the homestead system?—Some of it would.

450. Do you think it would be wise for the State to put poor men on that and just yet?—I would not until I saw what it would do. There are some blocks on which I would like them to have a trial. I would not without great caution and inquiry.

451. Do you think that men with capital would go on it?—I think they would go on some of it, with proper inducements.

452. My idea is that it would be wrong to put poor men on it, and that men with capital would not touch it?—I think your remark is right in regard to some of the land, but there are other portions that would be worthy trying; there is a great deal of useful country amongst it.

453. You heard some complaints made at Hukerenui by village-homestead settlers: one or two men complained that their contract had been broken, and they had been forced to take up their land under the lease-in-perpetuity tenure?—The position of those men was this—that is, in the one or two cases I enquired into: They held their land under the 1885 Act for some thirty years, and some of them got into difficulties, and were unable to pay their rent or pay their advances, the Board capitalised the whole, and gave them the 999-years lease instead of the thirty-years lease at 4 per cent. That is the only way in which it is being enforced, so that, instead of their having anything to complain of, they have been treated leniently.

454. Mr. Hall.] Are you aware that Wellington is chiefly supplied with fruit from Auckland?—Some fruit possibly comes from Auckland, but a great deal comes from Nelson, Napier, and the Islands.

455. There are orchards in the north of Auckland of 15 to 20 acres equal to or surpassing anything in the colony, and as regards lemons, they can be grown there very cheaply, whilst Italian lemons are being imported to the colony and sold at a much higher price?—I do not know the facts as you do, but I will take your word for all you say.

GISBORNE, WEDNESDAY, 21ST JUNE, 1905.

WILLIAM KNOX CHAMBERS examined.

1. *The Chairman.*] Do you hold land in this locality?—Yes. I hold 6,000-odd acres of freehold. I may say I appear as delegate from the Patutahi Branch of the Farmers' Union.

2. What is it you wish to bring before the Commission?—I am deputed to lay before the Commission the opinions held by the farmers in my district. Personally, I may say I have had no experience of Government leaseholds.

3. What is the membership of your union?—There are about thirty in the union, but I represent about one hundred settlers altogether. The general feeling amongst the settlers is against the Government leasehold. Those who are under lease in perpetuity are all very keen to have the right of purchase given to them. The objections they have to the leasehold are practically the same as those scores of people have already put before you. There is a difficulty in financing them, and there is also a feeling of insecurity as to whether the Government contracts will be carried out in their entirety or whether another party, who are very strong at present, will be able to bring about revaluation of the leases. There is also a feeling inherent in us all that a man would sooner be working on the land he owns than on a leasehold.

4. *Mr. Forbes.*] Did your union consider this question at a meeting?—Yes, about three weeks ago. The whole matter has been frequently discussed since the Commission has been sitting and that is the general opinion of the small farmers in my district.

5. Are there many lease-in-perpetuity settlers amongst them?—Not more than three or four. Some of them are on town sections at Patutahi.

6. Has the question of the insecurity of tenure been brought before your union by these lease-in-perpetuity settlers?—Yes; and the system has been condemned even by those who are not interested. There are very few in favour of any form of Government lease that does not give the right of purchase. I think it is due to this fact: The farmers have sons growing up and they want to take up land for them, but they fight shy of the lease in perpetuity. They would like something more tangible than the lease in perpetuity for their sons.

7. Is occupation with right of purchase the form of tenure they favour?—Yes; or a small-grazing-run lease with the right of purchase.

8. Is it difficult to borrow money on Government leases in this district?—Personally, I cannot say, and I do not think the men I represent have had much experience of that. One man who has ceased to be a leaseholder told me he could not get the same advance for breaking-in purposes on a leasehold that he could on a freehold.

9. On what terms do the lease-in-perpetuity holders consider they should get the right of purchase?—I am afraid they are rather greedy there. They want it at the original valuation.

10. Is that the view you are supposed to represent?—They are not unanimous on that point, but the majority hold that they should get the freehold at the original valuation.

11. *Mr. Matheson.*] Do you think the right of purchase is an advantage to the occupier?—I should say so, especially in rough country.

12. Then you think it is quite natural they should want to get it?—Yes.

13. Do you think it would be good for the colony as a whole if they were given the freehold of these lands?—Undoubtedly it would.

14. How would it benefit the colony?—It would benefit the local bodies here, because if the land was freehold they would be able to rate it at its full value.

15. Do you think that tenants are anxious to get the freehold in order that they may be able to pay more rates?—I think a great many of them are foolish enough to wish it. They are willing to pay for this feeling of independence.

16. In the case of land-for-settlements tenants, do you think it is reasonable the Crown should let them have their land at a price which covers all the Crown's expenditure on it?—I do not think the Government should charge them the full value of the land at the time of purchase if the settlers have been in occupation for ten years or so. The tenant's money and labour have put an increased value on the land quite apart from what is called the unearned increment.

17. Do you think there is any unearned increment?—There is, undoubtedly, in some districts.

18. Do you think the State is entitled to the unearned increment?—Not to all of it.

19. What proportion do you suggest the State should take?—That is a question I am not prepared to go into. It would require a lot of consideration.

20. But you think the tenants should not get the land at the original upset price?—That is my own personal opinion.

21. *Mr. McCardle.*] Do you know whether the settlers who now hold under lease in perpetuity had the option of taking up the land under occupation with right of purchase?—I do not know.

22. Are you satisfied with the administration of the Land Boards as now constituted?—I have heard very few complaints about them here.

23. Have you representation from this district on the Board?—Yes.

24. Do you know how the Advances to Settlers Act is operating here: has it been beneficial to the small settlers?—No doubt it has induced an immense number of settlers to take up land who would not otherwise have been able to do so.

25. In regard to the question of freehold *versus* leasehold, do you not think the State could derive revenue from the land under freehold much more readily by the land-tax than under leasehold?—I should say so. In any case the local bodies would benefit more if the land was freehold.

26. Are you satisfied with the principle now obtaining in regard to advances by the Government to assist in opening up country?—It has not been satisfactory in this district.

27. Do you think it would be better if they departed from the present system, and in place of it gave substantial subsidies in the case of settlers who were prepared to help themselves by raising loans to complete and metal roads?—The Government give a pound-for-pound subsidy on all special loans now.

28. Has that been sufficient?—No, nothing like enough.

29. Is there much Maori land here?—Yes; something between 500,000 and 750,000 acres.

30. Do you think the settlement of these lands has been progressing fast enough for the requirements of the district?—I think so. The Government have still a fair amount of Crown land unsettled in this district.

31. *Mr. McCutchan.*] Have you sat on any local body here?—I am Chairman of the Ngatapa Road Board. I have also held a seat on the Council and Harbour Board.

32. Throughout the colony exception has been taken to dual control by local bodies as being expensive: do you think it is wise to have two bodies operating within one area?—As a general rule I should say one body is sufficient, but in a new and partially unsettled country like this, the County Council cannot give reasonable attention to small outlying districts, and I think it is necessary to have a Road Board then. But in more settled districts I think two bodies are unnecessary and against economical administration.

33. Do you advocate smaller counties?—No. I do not think counties should be reduced one acre.

34. In speaking of the terms upon which tenants wish to get the freehold you expressed the opinion that they are a little selfish: the desire of the tenants is to pay up the 1 per cent. difference and compound interest on the 1 per cent. in order to get the freehold: do you not think that would be an equitable arrangement?—Not altogether. My view of the matter is this: If the value of the land has been increased by Government expenditure on railways or roads the Government are certainly entitled to recoup themselves as part of that expenditure, and they should not sell the land at the original value. If the roads of the settlers have been left in a state of nature then the settler is entitled to every penny of value that he has created.

35. Speaking of the insecurity of the tenure and the fear of the Crown tenants of revaluation: do you think that is due to the agitation got up by the trades and labour organizations of the colony?—Undoubtedly.

36. I suppose you know there is a very large percentage of these people who are opposed to the view expressed by their representatives at the conference at Wellington?—Quite recently I saw a sort of apology for some of the wilder statements.

37. Do you think there is any real danger to be feared from these people?—Judging by Australia, I think there is a very real danger.

38. Is it your experience that the minds of the settlers are thoroughly unsettled on account of this agitation for revaluation?—So far as my little district is concerned, yes.

39. Speaking of the Land Board representation, are you in favour of the system of nomination or do you approve of the election of these Boards?—For choice I should say election.

40. Then upon what franchise would you elect these members?—I should say on the county franchise.

41. Do you think that would be fair?—Yes.

42. *The Chairman.*] Do you think any legislative body would bring in a Bill or attempt to repudiate a title legally given to land?—There is no knowing what the Legislature would do under present circumstances.

43. If any Legislature did do so, do you not think the Imperial Government would veto such an enactment?—I should hope so.

WILLIAM DOUGLAS LYSNAR examined.

44. *The Chairman.*] Do you appear as a landholder?—Yes. I am a solicitor but I hold two freehold station properties and a small Government grazing-run of 3,100-odd acres at Waimata, about eighteen miles from here. I may say I appear principally as the chairman of the Gisborne Branch of the Farmers' Union.

45. What is it you wish to bring before the Commission?—I may say the Gisborne Branch of the Farmers' Union, in common with the union as a whole, are practically unanimous in asking that the tenant should have the right of freehold. The question of the method of granting that right has not received final consideration nor has it received full consideration, so I would like it to be clearly understood that what I say in that respect is my own opinion. So far as I am able to judge, the unrest of these Government leaseholders is brought about in the first instance by the present Government introducing a Fair Rent Bill. That is at the bottom of the whole agitation, coupled with the repeatedly expressed dissatisfaction of the local bodies regarding the difficulties they are labouring under so far as rating small grazing-runs is concerned. They are always urging that some legislation should be introduced to put them on a better basis for rating purposes. Personally, I do not much dread this labour agitation. I think any sensible Government will see they are going too far, but I dread a strong Government like the present repeatedly bringing up a Fair Rent Bill. Our branch of the union passed strong resolutions on this matter when the Premier first brought the Bill in, and these resolutions have been sent forward to the Government from time to time. If it were not for these two phases I do not think there would be much agitation on the part of the Crown tenants for a change of tenure. There is no doubt they labour under difficulties in regard to financing, but that is substantially counteracted by the many advantages they get in other ways. A man will probably have to pay 1 per cent. more interest under leasehold title than under freehold, and a lesser amount will be advanced to him. I have experienced that in regard to my own Government lease. If there is to be any change in our legislation it should not be for revaluation at all, but to give the tenants the option of converting into freehold. An important phase of the question is the basis on which they should be given the right of purchase, and, speaking individually, I do not think that the present valuation or the original valuation is a fair basis. I have worked out one or two cases, and the suggestion I would make is this: I hold that whatever the original valuation was the Government are entitled to that without any question. Then, if the original value has increased I would take the difference between the present value and the original valuation and allow half to go to the State and half to go to the tenant. Taking the land in this district that has been leased from the Government we may safely say that on the average the unimproved value has increased about three times. For instance, where land was taken up ten or sixteen years ago at a capital value of 10s. per acre, it is worth about £1 10s. per acre to-day. Certainly there has been a very substantial rise in the unimproved value. I will take the case of a small grazing-run as an illustration. A run of 3,000 acres at the original value of 10s. per acre represents £1,500. The rent is fixed at 2½ per cent. on that value and amounts to £37 10s. per annum. The unearned increment is £1 per acre, and if the amount was capitalised as I say it would mean that the Government would get the original 10s. per acre, and they would also get half of the amount of the increase in the unimproved value, amounting in all to £1 per acre. That should be worth 5 per cent. to the State, and it would mean that on that basis the Government would get £150 per annum in place of the £37 10s. they now receive. On the other hand, for rating purposes the local bodies are tied down in regard to this class of tenure to 6 per cent. on the capitalised value of the rent, which in the case I have quoted would be £625. That is what is causing the local bodies to complain so much. While the unimproved value of the property may be £3,000, they have only the right to rate on £625. If the land was converted into freehold the rating-value would be increased by £2,375, so there would be a direct advantage to the local bodies for rating purposes. Now, take the case of a lease-in-perpetuity section, the rent of which is based at 4 per cent. on the capital value. On the same figures the Government rent would be £60, and if that was capitalised and sold to the tenant it would produce £150 to the Crown. Of course the rates in this instance would be the same as freehold. Then, under the Land for Settlements Act where the rent, based at 5 per cent. on the capital value, is £75, if the lease was converted into a freehold it would be £150 to the State. Therefore I say it would be good business both for the colony and for the people if the Crown tenants were allowed to convert into freehold. But I would not give the right of purchase without

a substantial portion of the unearned increment went to the Crown. The difficulty of rating in regard to small grazing-runs is a matter that has been acutely felt. It has been specially brought before our branch of the union, and we in turn have brought it under the notice of the Government. In the Hungaroo Township there is a body of Crown tenants, and they have practically no road. The settlers are all holding under small grazing-run leases. They have applied to be allowed to pledge their lands to enable them to get a road, and they are prepared to rate themselves, but the authorities cannot accept their tenure as a security. The County Council is helpless, and these people are precluded by law from giving a security over their property for rating purposes. They say they would be only too glad to convert into freehold if they had the chance, and then the local authorities would have the right to rate them fully.

46. *Mr. Forbes.*] Why does your union feel so strongly on the question of the Crown tenants getting the right of purchase: are your members principally freeholders?—We have a large proportion of leasehold members in our union. I think I have already said it is owing to the Premier's repeated efforts to get a Fair Rent Bill through.

47. How many members are there in your union?—Over a hundred members on the books. We have about sixty paid-up members. I may say it is a generally recognised thing amongst us that any attempt to alter existing contracts should be resisted. We think that the existing contracts should remain intact.

48. I think any reasonable man would say that?—That was not so when the Premier brought in his Fair Rent Bill.

49. We have had the evidence of small-grazing-run holders who say that their rents are too high, but that the only way they can get a reduction is by forfeiting, and they feel it is a great hardship to have to forfeit and run the risk of losing their place when it is put up to competition again at a reduced rental. They have asked us if something cannot be done to enable the present tenants to get the property at the reduced rental?—That has not been the case here.

50. May not that Fair Rent Bill have been brought in to meet these cases?—That was the reason put forward, but I always regarded it as a bogey. If it was for that purpose why did it not state it was simply to relieve Crown tenants who are paying too big a rent? Instead of that it was introduced as a general measure to either increase or decrease rents. It would be quite sufficient to meet the cases you mention if the Land Board were given power to reduce rents where they thought fit.

51. If it is merely a matter of raising more revenue, would it not be much easier for the Government, instead of attempting to interfere with existing contracts in the way of revaluation, to give another screw to the land-tax?—I think the land-tax is heavy enough as it is. I think other ways should be found to provide money than by breaking these contracts. If they are to be altered it should only be done voluntarily and by mutual consent.

52. You think no reasonable man would anticipate that his contract would be broken?—I am afraid many men do anticipate it. I may say I feared very much that the Premier was going to get his Fair Rent Bill through. The leasehold is bad enough now to advance on, but under a Fair Rent Bill it would be absolutely impossible to finance it.

53. What is it that tells against a leaseholder in the matter of financing?—Well, I maintain, myself, that a small-grazing-run lease is better than a freehold, but it is very hard to get people to believe that. There are restrictions in leases which are not attached to the freehold. They are really the trouble.

54. Is it the conditions attached to the lease in perpetuity that make it harder to finance?—Yes, it is hard to finance any lease, and more particularly a Government lease, because of the restrictions in regard to residence and area attached to it.

55. Do you not think these restrictions are necessary?—I say they are necessary where a man acquires the freehold of the land for ordinary occupation, but where a man mortgages and foreclosure takes place, I think the mortgagee should not be subject to the same restrictions. I think there should be no limit as regards area where an individual or corporation is compelled to buy in as mortgagee. I think the mortgagee should be allowed a reasonable time in which to move off these foreclosed properties. I would allow him to purchase in and give him five years in which to find a purchaser.

56. *Mr. Matheson.*] Do you consider it is a breach of lease if landlord and tenant agree to add an amending clause?—No.

57. Supposing the State decides to give the right of purchase to such tenants as that, would that be a breach of the lease?—Not if it is voluntary for them to take it. It would be appreciated.

58. Do you think the lands purchased for settlement have become the lands of the people of the colony, or are the money-lenders with whose money it is bought the real landlords?—No, it is the tenants'; they pay the interest.

59. Are not the money-lenders in Europe the real landlords of these lands?—In a very remote degree. When you acquire land under this land-for-settlements scheme you load each man's section with the cost of roading, cutting-up, and interest on the loan. When you cut the land up for settlement those who take it up are paying for the whole thing.

60. He is paying rent on the whole thing—on the estate so purchased with European money?—But when he pays interest he takes the load on his own shoulders. The property is loaded with it.

61. Can you see any way in which the colony would suffer if the tenants on the land for settlements were allowed to repay that debt?—None whatever.

62. Do you think it would be a benefit to the colony?—Yes, because it would reduce the amount of the liability.

63. Do you think the colony would be more likely to prosper by encouraging the individual in that way?—It certainly would. In my own case I pay more attention and attach more value to freehold properties than to leasehold. Where it comes to making improvements you let the leasehold go.

64. You are aware that a great many of the city dwellers think otherwise?—Yes, because they cannot understand the difficulties those in the back blocks have to suffer.

65. Do you consider town and country interests in this way are inseparable?—Those living in the country should be considered first. The country should not be ruled by the town.

66. Is the prosperity of the town dependent on the prosperity of the country?—Yes, that is so.

67. Do you consider that in giving the right of purchase to the tenants of the Crown that the townspeople would eventually benefit?—In an indirect way, by making country people more stable.

68. Do you think they will benefit?—Yes, by making the country people more stable and prosperous, they would have more money to spend.

69. You think they would be better off?—Yes, the towns would be in a better position, because the country people would be in a better position to finance.

70. Are you a member of the local body here?—Yes.

71. A previous witness stated that on all loans under the Local Bodies Loans Act there was a pound-for-pound subsidy?—That is not correct; he made a mistake.

72. Do you think the land question depends much on the roading to give access to the settlement of land?—There is no doubt about it.

73. Do you think it would be a wise thing to abolish grants and put local bodies in a sound position by increasing the subsidy?—If something could be done to give them a specific rate according to the capital value or their proportion of revenue, that would be the best thing for them.

74. You think that an automatic system of that kind would be much better than the system of grants?—Very much better.

75. Do you think it would be best to pay more subsidy as the rates increase?—Yes; that is a very good sound principle.

76. *Mr. McCardle.*] Do you think that should apply to a district where new roads require to be made. Do you not think that to construct them and then for rates to be raised locally for maintaining or metalling the new roads would be a more satisfactory thing to a district like this?—Of course, there is that phase of it to be taken into account. If we get any fair proportion of our revenue here for road purposes, we should be in a much better position than we are in now.

77. You say it is a difficult thing to raise money on Government leaseholds—more difficult than to raise it on freehold?—Yes.

78. You also said that if the settlers obtained the freehold it would not benefit the towns: is it not a fact that if the settler could borrow at a lower rate of interest and develop the resources of his land, the output of the land would be increased, and the towns would benefit therefrom?—Yes; in the direction that they would be better able to finance and would have greater spending-power.

79. Is it not a fact that the reason why these lands are not taken as security by monetary institutions is that there are too many restrictions covering these lands?—Yes.

80. Would it not be a reasonable thing that as soon as the settler had made improvements equal to those made by the settler who holds the right of purchase, he should get free from the Land Board?—When he has done what is required of him the Government should free him from all restrictions.

81. Have you ever come across any question where a person leaving a lease in perpetuity has any difficulty in getting his estate administered, or getting a free title for the legatees?—I have.

82. Is it not a necessity that some amendments should take place that would enable a man to leave his property as he thinks fit?—Yes; I had a case of that kind a little while ago. The bank was interested, and I was acting for it.

83. Do you know the case of a man named Pilkington, in Wellington, who had a brother and a partner with him, and the brother died in England, and they had to override the Act in order to put him in possession of the land?—I do not know of that case, but I know the case I spoke of just now, in which they really had to let the thing go. There was absolutely no alternative. If the Land Board had exercised their power strictly, the representative of that deceased person might have lost all interest in the property. The Act had really to be set aside, and it was the good nature of the Land Board that let the whole thing through.

84. With regard to the revaluation question: I suppose you are aware that the cities are clamouring now in favour of revaluation on the death of the present tenant, or upon the present tenant transferring to some one else. That is put forward as an electioneering cry in the cities. Does it not show that there is a danger of revaluation taking place?—There is no doubt about it.

85. That it shall take place on the same basis as the Land for Settlements Act: would it be possible for the State to do that, and still say the thing was quite fair?—If that is good for the freehold it is good for the leasehold.

86. Do you not see the danger that if the Government did that the tenant might suffer. They have now the valuation made by the Land Board of the improvements effected on the land, and there is generally a wide difference between that and the amount expended on the property. If it is held that the State holds that the unearned increment belongs to it and the improvements only are the tenant's, would not the tenant be a heavy loser?—He would be a heavy loser. The tenant has an interest in the unexpired portion of the lease, which he is entitled to consideration for.

87. Do you not know that the cities do not allow that?—The cities are evidently looking at the matter from an entirely selfish point of view. The settlers should be considered. These people in the towns do not understand the difficulties the settlers in the back country are labouring under in many ways.

88. You have had experience of the Advances to Settlers Act?—Yes.

89. Has it worked satisfactorily?—Yes, as far as it has gone. The only difficulty is that they have not sufficient money to lend out.

90. Would it be advisable to advance up to three-fifths or two-thirds of tenant's interest in the land if they had sufficient money. They now advance up to one-half, and they are very careful it should only reach one-third?—Very often below one-third.

91. Does it not force them to go into other channels for money, and pay higher interest?—It might be dangerous to advance more freely. It depends on the leasehold.

92. If it is money for timber or money for improvements on the land?—If it is money for improvements I would do it. If the money was for other things, such as paying debts, I would be dubious about it. Two-thirds is a great proportion to lend on leasehold land: three-fifths would be more reliable.

93. Land is steadily growing in value through the efforts of the settlers?—Yes.

94. Has the dairy industry got a hold here?—Yes, it has got a very fair hold. Of course, our values for dairying-land have not gone up in proportion to the other districts outside.

95. You have a great industry in Poverty Bay ryegrass?—Yes.

96. Have you any noxious weeds?—Very little in this district. They are coming in at Wairoa. Our district is practically free, you may say, owing to the efforts of the farmers to keep the weeds out; there are a few cases which are the exception.

97. There is an impression that a great deal of this Poverty Bay ryegrass is from seed grown in Southland?—That is so. They buy the seed in Southland, take a crop off it, and call it Poverty Bay ryegrass.

98. Do you not think that steps should be taken to prevent men seeding the country with polluted seed?—Yes; we have a special committee to fight this question.

99. Do you not think that the most reasonable way to check that would be to inspect the fields in an infected district?—Our branch has asked the Government to prohibit grass-seed being imported from infected districts. It comes in practically with the clover-seed and in oats. In the case of the Californian thistle and ragwort, they are not ripe when the ryegrass is ripe. It matures first. The kind of seeds we get from Southland are cowgrass-seeds. We buy that very largely from the south. Our branch has asked the Government to take steps to prohibit the importation of seeds into this district from any infected district in the south.

100. Should not that apply to the whole of the clean portion of the colony?—Yes. I think your suggestion that the Government should inspect these paddocks and stop them getting seeds from places where the paddocks are contaminated would meet the difficulty.

101. I understand the danger of that is increased by the grass-seeding machines?—That is what we have to look out for.

102. *Mr. McCutchan.*] Do you transact business for the Land for Settlements Office?—No; Mr. Sievwright is the solicitor for that.

103. In your opinion is there any difference between the lease-in-perpetuity and occupation-with right-of-purchase security for the purpose of lending money on?—Only that for the one there is 4 per cent. charged, and the other pays 5 per cent.

104. For the purpose of borrowing money, which is the better security, other things being equal?—I should prefer the one with the right of purchase.

105. Is it generally regarded that the right of purchase offers the better security?—From the money-lender's point of view.

106. Is money freely lent locally on lease in perpetuity?—Yes, the banks take it.

107. We had evidence elsewhere that the banks would not look at lease in perpetuity?—They have been doing it here.

108. The security is improving?—Yes, if agitators would only leave the matter alone.

109. You are aware there is a great amount of agitation, not on account of the Fair Rent Bill, but on account of the Rebate of Rent Bill. The agitators say the Crown tenants are getting a rebate, and therefore it is only fair that on the other side the rent should be put up?—That is not a cry that comes from here. There is none of that here, except under land-for-settlements tenures.

110. They do not get the rebate?—I do not think they do. There was request made from the Farmers' Union that they should get a rebate for prompt payment, but that is a different thing.

111. The townspeople say that on account of this Rebate of Rent Bill there should be a revaluation of the leases, and there is an agitation in favour of that?—If that is done, make provision that when the land goes up again you put up the rent. Make special legislation for that class, and confine it to those who want the rebate. If a man is paying too heavily reduce his rent, and if things improve put it up again.

112. The Act says this is a rebate for prompt payment all round?—That is so.

113. If that is so, should it not apply to all districts?—Yes.

114. If this is a rebate for prompt payment, should there be any differentiation?—If it is for one, it should be for all.

115. It does not vitiate the contract?—The giving of the concession is a voluntary act on the part of the Government, but on that account they must not attempt to take something of the tenants' right. I think where these rebates are asked for they always allow this. If you have a tenant in arrear he will walk out.

116. That is not the point. Do you not think there is a great deal in the contention of the trades and labour organization that where a rebate of rent is given, it is only fair there should be a revaluation?—I do not think these people should be considered at all. These settlers have taken a lot on their shoulders, and the townspeople are not affected.

117. The townspeople are liable for the borrowed money?—That is only where default is made.

118. Not at all, they are paying interest day by day through the Customs?—There is no such experience as that in this district. In this district the tenant is rated for the full cost of the loan, and he pays interest on that in every instance.

119. And a good deal more besides?—Yes.

120. In the towns they say if it is right for the State to reduce the rent by giving the settlers a rebate it is equally right for the State to revalue the land and increase the rent?—I do not agree with that. If the lessor chooses to make that concession he should not come back and say, "I will take away the right you have."

121. Are you aware there are Crown tenants who have absolutely refused to take the rebate because they consider it is a moral vitiation of the contract?—No, I have not. There are no tenants here who have got the benefit of such a rebate.

122. You fear the Fair Rent Bill very much?—Yes, I think from the way in which the Premier brought it up there is very great danger.

123. Have you read the Bill?—On one occasion I did.

124. Where vested interests have been concerned, should legislation have retroactive effect without compensation?—It should not, but very often it does do so.

125. Is there right of appeal?—No.

126. Not to the Privy Council?—No.

127. Even if vested interests are interfered with?—Even if vested interests were interfered with. You may, of course, ask the Governor not to consent to the Act. The great wrong is that if the Act is brought into force there is no appeal.

128. There are two classes of Crown lands, those already settled and those to be settled. Is it not quite clear that it is a Bill to deal with Crown lands yet to be settled unless clearly laid down it was to have a retrospective effect?—It was to have a retrospective effect on Crown lands. If you offered Crown lands with a Fair Rent Bill the people would not touch Crown lands. No financial institution would advance on a tenure of that sort.

129. You raised the point that one-third of the land must be freehold lands or else a loan area could not be formed for the purpose of raising a loan?—That is for small grazing-runs, following the same basis.

130. Do you mean that the lease-in-perpetuity people could not form a special district?—Yes.

131. Then you will be surprised if I gave you a loan area that was formed of these lease-in-perpetuity lands, and told you that the State made a loan to it?—Then it is contrary to the Act. That is the accepted position of the law here by the local authorities. They require one-third of it to be freehold, and if you got a bunch of Crown tenants in one locality that was going to be a rating district, you could not get a threepenny-bit on it if you were going to make it a loan area.

132. Are you aware there is a rating-area comprised only of lease-in-perpetuity holdings?—No.

133. I think the local authority here is labouring under a misapprehension, because if the thing is done in other districts with the sanction of the authorities, it may be done here?—Yes, if that is so. I was talking with the Clerk of the County Council this morning on that very point, and he agreed with me that was the position.

134. You said there should be no limitation where lands were mortgaged, so that the mortgagee, where it was necessary, might on the foreclosure buy the property?—It is very necessary.

135. That would strike at the root of the thing—it would help the financial people to accumulate land?—The financial people do not want the land; they want their interest. You have this principle, under the Native-land legislation you cannot purchase from a Native if you hold over a certain area, but you can take a mortgage from a Native. This restriction hits hard a lot of Crown tenants.

136. And financial institutions?—Yes, it makes them hesitate. I remember on one occasion a loan was applied for from a private individual who lends very largely in this district. He would not touch any leasehold—would not entertain it at all because of these leasehold restrictions. He said, "How do I know, if I have to foreclose, that I have even a temporary holding. I want my money; I do not want any risk."

137. If you do away with that you may have a large accumulation of estates?—I would give a more reasonable time to find another purchaser. You would have to give him at least five years.

138. Is it not the case that the mortgagee is practically carrying on many places? We have in mind several places where the mortgagee has kept up all the payments until he gets a purchaser?—He may foreclose and run the place for twelve months with the consent of the Land Board. He cannot sell and buy in.

139. If he gets a suitable purchaser?—He cannot buy in himself, and that is the crux of the whole question.

140. Certainly not, because if the law provides that a man cannot hold more than 640 acres of first-class land and 2,000 acres of second-class land, it would be a wrong thing to allow a financial man to step in and accumulate a larger estate than the limits fixed by the law?—You are assuming now that the financial men and institutions want the land; that is not so. If that phase were dismissed you would understand the question better. These large men who lend money do not want the land; it is the same with money-lending institutions. It is very essential that some amendments should be made in the law. There should be no restriction on a man holding a mortgage whether the holding is of large amount or not. But I would restrict him by compelling him to sell to a *boni fide* purchaser within a specified time.

141. Seeing that the consent of the landlord has to be got before the mortgage is registered, and seeing that the Land Board has allowed the mortgagee to carry on, do you not think his position is sufficiently safeguarded?—As far as it goes it is very good, and if it was not for that little concession, no bank and none of these strong financial men would touch it with a pitchfork.

142. There is the further provision that the mortgagee can sell after foreclosure, providing he gets a purchaser who can make the declaration that he has not already more than the specified limit of land?—That is so.

143. So your whole advocacy is in the interest of the financial people?—No, in the interest of the farmer, because he can then go to these people who are refusing to lend him money now. If there was such a provision as I have mentioned, these people would lend money in this district. I would say a reasonable time to allow for finding a purchaser would be five years.

144. Have you a seat on any of the local bodies?—I have.

145. Can you not load for roading purposes generally up to 25 per cent.? Blocks of Crown land put on the market if they were generally loaded to the extent of 25 or even 50 per cent., the tenant paying interest on the loading at 5 per cent. on the Loans to Local Bodies, principal and interest are extinguished in twenty-six years. Do you think that the tenant should be relieved after twenty-six years, seeing that the State is reimbursed?—There is something to be said in favour of that, but then you are holding a bait in one hand to knock it down with the other. I would leave the thing alone, because if there is going to be any change the townspeople whom you have been referring to would say because of this concession, "You will have to consent to higher terms."

146. We will suppose there are two blocks, the capital value of both being £1 per acre, one block being loaded and one not. One party comes under the Act?—I say the concession should be granted in that way, but do not disturb any of the present leases, because that would only give the townspeople the opportunity they clamour for to change all the terms of the lease.

147. Do you believe in dual control?—I do. In a district such as this we have a very large county, and it is impossible for the County Council to give proper attention to every portion of the district.

148. For what reason?—They would want a bigger staff. It would be too cumbersome. We would take a district over thirty miles from here: the County Engineer cannot keep up his knowledge of that district without visiting it, and these visits would take up too much time.

149. But you have nine ridings in the county and nine members on the Board?—Yes.

150. Surely one member for each is sufficient?—They would not get attention. There should be right to form Road Boards. I do not believe in these bigger and settled parts being divided, but I do believe in the outlying districts having the right to form Road Boards, say thirty miles from the centre.

151. Under this system of dual control, not only have you to have a second staff, but you suffer seriously financially. Where there is no Road Board you can obtain up to £2,500 on the subsidy; where there are Road Boards you are limited to £500. Is not that a serious loss?—Of course you get better subsidies by having your Road Boards than otherwise. That is the experience here, however. In several cases they have formed Road Boards for the purpose of nobbling the subsidies. They get a better subsidy by having a Road Board.

152. That may be because the county has struck a very low general rate?—The county here has always struck this three-farthings rate. The Road Board gets a subsidy also. It is better for it to go in for 10s. in the pound than for the county to go in for 5s. in the pound.

153. Not always, because the Road Board only forms a small portion of the rating-area and the county rates over the whole area?—That is so. I think that any area within thirty miles of the county office would be a reasonable area to include within the county jurisdiction, and have no road Boards there; but for the extreme portions of the district it is absolutely necessary. I know of one property I am interested in forty-five miles from town to which that applies. It is two days' ride for the County Engineer to get to, and he has not the time. If you leave it for the people there who are travelling every day on the road, they will attend to their own wants.

154. Do you think the local authorities, the county, or Road Boards should be forced to keep road accounts?—They do now.

155. No; they keep rating accounts?—It would be unfair to say particular portions of the rates should go to particular works.

156. This county has never kept a road account?—No, I do not know anything about it.

157. *The Chairman.*] Regarding the Fair Rent Bill to which you refer, is that the Bill drafted by the late Sir John McKenzie?—I do not know who drafted it; it was fathered by the Premier.

158. Was that intended to apply to Crown lands?—Yes, as I understood it.

159. It was not limited to cases generally, where leases were being taken up in a time of boom and proved afterwards to have been taken at an excessive value. It is simply an adjustment of rent?—It applies to all tenants whether they took up in a time of boom or not. The boom people would redress themselves, but the other people who endured hardships should not suffer because the land was taken during a time of boom.

160. Was the Bill retrospective?—Yes.

161. The Government was to enforce it without the right of appeal?—Yes, if Parliament passed it.

162. Would not that be repudiation of the tenure?—It would.

163. Surely there was the right of appeal?—If the Legislature do that, that is sufficient; we are helpless once the Governor signs the Bill.

164. Yes; but the Imperial Government must sanction the Bill?—The Governor may of course refuse to sign it. We have an instance of that in a minor degree in respect of an Act which was passed this last session to deal with the case of a person holding a certificate of title under the Land Transfer Act, in regard to a piece of ground near Tolago Bay. An Act was brought in and passed, cancelling the title and giving the Native Land Court power to make further investigation and give a title.

165. Is not that because of a complaint of defective title?—It is a complaint made by some people, who got the Government to bring in legislation on the subject.

166. As regards financing, do you say that the Crown tenants would be in a better position to finance if they had the freehold?—Yes.

167. Would that apply only in cases where the unimproved value has risen greatly—where there has been a great increase in the unimproved value?—No; that is if the value stood as it was originally.

168. As it stands now, the whole of the capital is on the land. If the Government made an advance on that security, the tenant is supposed to get an advance up to 50 per cent. of his improvements. If he got the freehold could he get that amount?—No.

169. Would he not be at a disadvantage in borrowing then?—No; by his industry and other resources he would reduce the amount down so that he could borrow on the very best basis.

170. But he would not possibly borrow as much?—That is so. Do not mistake me as being against the leasehold. I say it is very good. It is only because of this agitation and the dread that something in the present conditions the Government will be forced to alter.

171. As regards giving the tenants the right of purchase, would not the public claim the right to have this land put up under a fresh ballot?—Why should they?

172. When the land was balloted for in the first instance, it was a lease pure and simple without any right of purchase. With the right of purchase put in, many more would be likely to go in for the ballot, and, if so, if the conditions have been substantially changed that land should be thrown open to ballot?—I do not think there would be sufficient to make any change. The person who has improved the land has a bigger right.

173. On broad principle is it not dangerous to disturb the tenures of land?—It is.

174. Does it not give these agitators a real reason for agitating further and it might be very far-reaching?—I agree with you there; it is dangerous and it is far better to leave it alone. I blame the Premier's Fair Rent Bill substantially for the whole thing, backed up, of course, by this labour agitation. When you see the Premier of a strong Government going in this direction, and then the labour agitators of the colony backing him up, and perhaps going a little further, it makes you think there is something in the wind.

175. Has not the Premier stated strongly there shall be no disturbance of tenure brought about by the Bill?—It does not say so in the Bill.

176. As regards the residence conditions, I dare say there are many cases where the inhabitants of a city—be they mechanics or business-men—have saved money, and perhaps they have sons growing up but not of age. These men might like, out of their savings, to take up sections of Crown land, and out of their savings improve them. Should not the residential conditions be relaxed somewhat to meet cases of that kind? Supposing, for instance, the tenant or applicant was required to make 50 per cent. more improvements on that account than the ordinary applicant, might not the restriction as to residence be relaxed to some extent rather than drag him away from his employment in the town or force him to send his sons on to the land before they were of age?—I think the restrictions as to residence, as well as to transfer, are made unreasonably severe. They might be relaxed; so long as the man has done up to a reasonable quantity of improvement, the conditions might be relaxed. People, of course, should not be allowed to take up land and not use it. But so long as the land is being improved the residential clause should be entirely secondary, if there should be any at all.

177. As regards the responsibility for the borrowed money, we have had up till now £50,000,000 borrowed for expenditure in the colony. Have not the towns benefited very much by this expenditure?—More so than the country.

178. And is it the townspeople's lands or the settlers' lands that are mortgaged for these millions?—It is the settlers' lands that are mortgaged in common with the lands of the townspeople, but in the case of the latter to only a smaller degree.

179. But the man who has no real estate can pack up and leave the country to its fate. Are not the lands of the colony mortgaged for those millions?—Yes.

180. And is it not the productions of the country that the people export to pay the interest?—Yes.

181. In that case should not these people be considered and not induced to leave the land?—Yes; I think the labour agitators are going too far on these land questions.

JOHN WILSON BRIGHT examined.

182. *The Chairman.*] What are you?—I am manager of the Gisborne Branch of the New Zealand Loan and Mercantile Company (Limited).

183. You have some matters to bring forward?—Yes. There is one matter in connection with the land-for-settlements system, the conditions in connection with which are pressing harshly, I think, on some of the settlers. I know one settler who took up 33 acres, and according to the regulations his wife, of course, could have taken up a contiguous section, but he was not in a position to do so at the time. He later on applied for another section in the name of his wife, and, if it had been contiguous, the residential conditions could have been dispensed with, but the Land Board has insisted that his wife shall reside upon the section. [Position of section pointed out on map.] I think, in cases like that, the conditions could be easily modified. His wife could have been exempted from the residence conditions if it could be shown that this section he held was insufficient to enable him to get a living. The Land Board had made it a condition that the wife shall reside separately on the section she has applied for.

184. Is that being done?—I cannot tell you.

185. You think the conditions should be changed to meet such a case?—Yes; that is the object with which I brought the matter under your notice. There is another matter I wish to call attention to in respect of the ballot system. My observation from eighteen or nineteen years' residence here is that the ballot system has been grossly abused. When an eligible section is offered for application, and the right of purchase is given, and it is known that the settlers in the district want to purchase it, there have been as many as two hundred applicants for it. Many times there have been eighty or ninety applicants, while forty is a general thing.

186. Does not that arise from the fact that the section is undervalued?—No; it is owing to the adjacent position of the settler and the knowledge that the settler would give the higher amount. There are many men about the streets who put in applications who have no intention whatever of residing on the section or complying with the conditions. There is another matter with regard to finance: I do not know whether it comes within the scope of this Commission to recommend that the Public Trustee should be empowered to use his funds for the purpose of financing Crown tenants. At present the Public Trustee has a large amount of money available for investment, but he will not accept anything but freehold securities.

187. That applies to all trusts?—Yes; except that the Public Trustee's Department is a Government Department. If the Government security were added, or it were backed up by that, it would assist this Department—the Advances to Settlers Department having withdrawn for some time past owing to having no money to lend.

188. That could be done by one Department being empowered to borrow from another Department?—Yes. I have a *clientèle* here of a very large number of Crown tenants indeed, and, as far as my observation goes, the lease-in-perpetuity tenure is considered to be a very good tenure indeed. It is the favourite tenure here, and to my knowledge there is a very large number at the present time of prosperous deserving settlers who, if there had been no other tenure but the freehold, would have had no opportunity of getting on the land and making homes for themselves.

189. *Mr. Forbes.*] In reference to this abuse of the ballot: is there not a term of residence insisted upon before a transfer can be granted?—Nominally there is. A transfer, if converted into cash, cannot be obtained until twelve months' holding, and until a certain amount of improvements has been done, but I think that is more honoured in the breach than in the observance.

190. What would you suggest to stop that?—One thing that strikes one at times is that the State perhaps offers the land at too cheap a price, which induces such a large number of applicants to apply for it. That phase of the question opens up the further question as to whether the State is not parting with its land at too low a value.

191. Is there any large demand for land in this district?—Yes. Perhaps for fifty or sixty miles back there would be forty or fifty applicants for a section.

192. Do you think it is reasonable that lease-in-perpetuity tenants should have to undergo the same sort of examination as they do under the Land for Settlements?—I think there should be some steps taken to correct the abuse of the ballot.

193. I mean by examination, ascertaining whether a man intends to go on the land himself or not. Do you think something should be done in that direction in connection with all Crown lands?—I feel sure that something should be done.

194. You say that the lease in perpetuity is the favourite tenure?—Yes; a man with insufficient capital prefers it.

195. On what ground?—His land is cheaper, and the settlers regard the title as absolutely as good as the freehold. I regard it so.

196. We have been told that it is almost impossible to finance with this lease-in-perpetuity tenure?—I do not think so. The only difficulty is as to the restrictions with regard to residence, which hamper one in finding a purchaser. In practice, I think, the objection does not work.

197. Would you have no difficulty in finding purchasers for lease-in-perpetuity lands?—No; in this district you have a purchaser for almost everything valuable.

198. Are there any large estates round about here that could be taken for closer settlement?—No doubt there are estates.

199. Suitable for small settlement?—Yes.

200. Are there no Crown lands?—Yes; a considerable distance back, but not suitable for dairying or anything of that kind. It is mostly bush and scrub. It is steep land, but good pastoral country that could be improved.

201. What is the difficulty, want of roads?—That is one difficulty, but not very much, because what was produced would be valuable according to bulk, such as wool, which can be packed as cheaply as being carted, while stock can be taken on their legs.

202. Has any of this land been opened up recently?—Yes; there was a ballot taken only a week or two ago for one or two sections.

203. If land is available near a town do you think there is any immediate necessity for dealing with large estates?—It is suitable for different classes of settlement. The one would be taken up for cropping and dairying, while the other would be purely pastoral.

204. It would not be suitable for close settlement?—No.

205. In connection with the Advances to Settlers Department, would you say it is working satisfactorily in this district?—The only thing unsatisfactory is that they have not got enough money to lend out.

206. Is that the reason given when they refuse loans?—Up to recently they notified they were not lending anything in sums above £500, but I believe the Department has intimated that it is again prepared to receive applications for such sums, so I suppose it has got a fresh supply of money.

207. *Mr. Matheson.*] Do you think it is good business on the State's part to grant a lease to anybody for a thousand years at a fixed rent?—No, I should think not; but having done so I regard the contract as sacred and it should not be interfered with.

208. You regard everything done as sacred?—In respect to land.

209. Do you not think it is possible to amend a bargain with benefit to both parties?—Yes; if both parties are agreeable.

210. And suppose the State granted terms of purchase, would that not be reasonable?—No doubt; but it should not be at the will of one party to make any alteration.

211. Can you see any way in which the colony would suffer if the Crown tenants were given the right of purchase?—I do not think it would.

212. Do you think it would be a benefit to the colony in the end?—I hardly know, it is a big question. It is a question whether many of the tenants would avail themselves of it.

213. The question is whether it would benefit the colony to give them the option?—There are so many land systems at the present time; but if we were starting in a fresh country I should say “Do not part with anything.”

214. Do you think it would be a wise thing to aim for taking back by purchase all the land in the colony?—Not now.

215. Do you think the nominated system for members of the Land Board is a wise one?—No.

216. Do you think the average intelligence of the electors is better than that of the Government?—I think a Minister is not in a position to know who is the best person to represent the settlers. I believe in election every time. Nominees are often appointed on account of friendship or through political influence.

217. Do you think it would be wiser to take more interest in returning members to the House?—There you come to manhood suffrage, because the people of the towns elect the members.

218. If you made the Land Board an elective body, would you bar the townspeople?—Certainly; they have no interest in the administration of the Department, or, if so, it is indirect.

219. *Mr. McCardle.*] Did I understand you rightly to say that where the option was given the preference was for lease in perpetuity?—You did.

220. How is it that in the great majority of cases the applicants all over the colony want the right to purchase? Your people must have been unfortunate at the ballot?—No, I do not think so.

221. In two hundred and fifty applications there is only one for the lease in perpetuity. Is this not because the speculator has the better show?—Yes; but he cannot so easily obtain a transfer.

222. There is no difference so far as the Land Board is concerned in extending the transfer, and he cannot exercise his right of purchase for ten years?—Yes; but he must perform the residential conditions.

223. Does he not have to do so in both instances?—He does not. I know cases in which the residence conditions have never been complied with at all.

224. You know a great deal about finance. Do you not think that if a man wants to speculate his safest plan is to go for the freehold?—There is not the slightest doubt about that.

225. I think you will find on inquiry in this district that where there is the option it has always been for the right of purchase?—I was only speaking of the *bonâ fide* settler.

226. You do not mean to cast any reflection, but you say the lease-in-perpetuity holders can sell quite as readily as the other in this district?—I say that all classes of land can easily be parted with.

227. In that case why single the man out with the right of purchase as a speculator?—I was referring to the ballot system. What I said was that applications were put in by lots of people who had no intention whatever of residing on the land.

228. I have witnessed hundreds of signatures and I could not tell the man who did not intend to settle. If a man has complied with the conditions and improved the country in the back blocks, he is a greater gainer to the State than to himself?—I thoroughly agree with you in that.

229. *Mr. McCutchan.*] You are anxious to stop speculation in Crown lands?—I am anxious to see that the *bonâ fide* settler is not elbowed out of the land by the man in the street.

230. You also think the residence conditions are a little stringent?—I do.

231. Do you not think the residence conditions are a safeguard to *bonâ fide* settlement?—Yes.

232. Where the land is sold for cash would you make the conditions the same as when the land is taken up on lease?—I do not think you could with the freehold exact conditions of that kind.

233. You are exacting improvement conditions in regard to that land: why not residence conditions?—In the freehold it is only when the application is made and the time given to make it freehold that you can do it. They have to satisfy the Land Board that they have a good title.

234. Of course they are subject to improvement conditions, and the question is what further difficulty would exist in making them subject to residence conditions, so as to provide a safeguard against speculation?—I do not think it would act in the case of freehold land.

235. You do not think the residence conditions in connection with cash sales would be advisable?—I have not thought enough about it to give an opinion.

236. With reference to occupation-with-right-of-purchase tenure and the lease-in-perpetuity tenure, do your own people give other security?—Collateral.

237. Would you accept the lease in perpetuity without collateral security?—It is contrary to practice to take landed security by itself.

238. Would you not take a freehold by itself?—Not by itself. We have other channels in a liquid business.

239. If there were two sections equally improved, one lease in perpetuity and the other occupation with right of purchase, which would be the better selling property?—I think the occupation with right of purchase I should regard as the better security.

240. You would regard that as the best security in the interest of the State?—I think I would.

241. Would you advocate the abolition of the lease in perpetuity?—I think the present system of giving the option is working very well. The land laws are a question of evolution, and at present they are working very well.

242. An occupation-with-right-of-purchase lease under the present Act cannot be purchased before ten years and not later than twenty-five years: would you advocate altering the law to provide that instead of having to find a lump sum for paying off the amount the tenant should get a mortgage?—I do not think the tenants would avail themselves of it, because they could invest their money better.

243. They are on the land for ten years?—A good many of them have to do pretty well to perform the improvements with their own and their family's labour, and in ten years they cannot do much in some cases.

244. *The Chairman.*] Do you not think it a pity that anything should set town against country, but that they should be linked together?—I think it is only done by agitators.

245. Every man has a voice in framing the general laws of this country—the criminal laws and the moral laws—and every one has a right to exercise his vote?—Yes.

246. But when it comes to specially dealing with the opening-up of the back blocks of the country, do you not think the settlers of the country have a special knowledge not possessed by the townsmen?—I do not think there is a doubt about that.

247. With regard to matters affecting commerce, such as are dealt with by Chambers of Commerce, the settlers do not interfere?—The settlers can become members.

248. They do not interfere much with commercial matters?—As a rule questions dealt with by Chambers of Commerce affect the town and country alike. Our interests are entirely linked with those of the country. The production of the country is what the town depends upon.

249. Is not the prosperity of the town dependent entirely on the country?—Certainly.

FRANCIS BATES examined.

250. *The Chairman.*] Are you a landholder?—Yes, I hold a section on the Willows Estate of 40 acres 3 roods.

251. And the tenure?—Lease in perpetuity.

252. Are you satisfied with your tenure?—No.

253. Perhaps you will give us your reasons?—The reason is that the land is overvalued that I occupy, and there is no remedy for the revalue of the land. I hold Section 14.

254. *Mr. Forbes.*] What rent do you pay?—£1 3s. 5d. per acre, and the present Government value of the land is £658. There is land on the Willows Estate that will carry double the stock that my land will carry.

255. That is not a matter of tenure but of overvalue?—It was valued at that amount through the fresh water, and there is about 2 acres of it which is of no value to me. I lose a piece of ground which I cannot get through on account of the water. The lagoon is included in my section.

256. There were some improvements on the section when you got it were there not?—The boundary-fence was on it when it was forfeited by the former tenant. It was loaded with some £40-odd, but that was taken off eventually. No one would take it up, and it was taken off and the section let by ballot.

257. *The Chairman.*] You took it second-hand?—Yes.

258. How did you happen to take it up at this value?—I did not know the land was so poor. I took it up in the spring when it looked all right, but I should be only too glad to get out of it now if the Government would pay me for my improvements and for the grass I have put on it. I went to the Land Board and they said they were fully convinced that the land was too high, but could not do anything. I was told that my only chance was to come before you gentlemen.

259. *Mr. Forbes.*] Under the Act I suppose you have to forfeit the section before you can get out of it?—Then should I not have to forfeit all my improvements?

260. Was it forfeited before?—Yes, I think the tenant only paid one half-year's rent.

261. It was loaded with improvements?—Yes.

262. The incoming tenant would have to pay for those?—Yes, if they can get the incoming tenant to take them.

263. When you went into it did you have a look at the ground?—Yes. It was let three years last October. This last summer I got into grass all but 6 acres. I had sixteen cows on it, but I cannot carry that number—only about ten or twelve. I am buying hay from one of my neighbours. It was valued too high in the first place.

264. At what valuation does it stand in the Land Board's books?—£950 18s. when I took it up, according to the Land Board, and I pay 5 per cent. on that. The next section to mine is paying 14s. 4d. per acre, and there is only the boundary-fence between us.

265. Do you consider the section should be revalued?—I consider my section should be revalued, and the Government should lose by it. I do not say they should break the other lease to do so. It is an error I think on the part of the Government officers.

266. Is that the highest section in the block?—There is one higher, which is good land—about the best in the Willows Estate—and it is a twenty-five-shilling section.

267. Are your fellow-settlers satisfied?—Yes, I believe so. I think they can all testify to the overvalue of my section.

268. The valuation is made up by another Department?—Yes.

269. The Land Board told you they could do nothing except by Act of Parliament?—They said they could not recommend anything except revaluing the whole of the estate.

270. That would not be satisfactory to your neighbours?—No.

271. *Mr. McCardle.*] You could surrender and have the section reduced in value in that way; there is provision made for that. If you had a fair value for the improvements you would not object?—No.

272. You have put on improvements?—Yes, I have built a three-roomed kauri house, and sown 20 acres in grass, besides planting.

273. That is all included in the rating-notice you produce here?—Yes.

274. If the rate were moderate you would be quite satisfied with it?—Yes.

275. You would not be particular about the freehold?—I would rather have the section with the right of freehold.

276. At this high price do you think it advisable to apply for the freehold?—No.

277. You would like to have the freehold granted under what conditions ?—To allow me to pay it off by instalments.

278. You say it will only carry about twelve cows on the 40 acres ?—Yes, that is all.

279. A portion of it is swamp ?—It is very broken and there are 2 acres of lagoon.

280. Do you not think there should be more care taken in the valuing of this land ?—Certainly

281. Do you know the man who valued it ?—Mr. Smith, I think, valued it. He is in Wellington now, I believe.

GEORGE REDPATH examined.

282. *The Chairman.*] Are you a settler ?—I am a settler in the Motu district.

283. What is your holding ?—700 acres lease in perpetuity.

284. Are you satisfied with your tenure ?—I was satisfied until the agitation arose for having the lands revalued. As a matter of fact, when we took up our land there was a big number of applications for the lease in perpetuity. The 1 per cent. cheaper land drew us, but when we saw people agitating to have our land revalued, and a Fair Rent Bill brought down, we thought we would rather now have the right of purchase.

285. You were not one of the persons who agitated ?—No, I would not agitate. I did not agitate until I began to get frightened. If they agitated for extra rent I thought I would have a hand in it too.

286. That cannot be done until the lease expires in 999 years ?—That seems rather strange, because we see our politicians saying on the one hand that they do not see why the land should not be revalued until the right of purchase is given. If the Government say the settlers may hold the unearned increment for 999 years, surely the Government's unearned increment must be a very small item. We have been paying 4 per cent., and the other settlers with the right of purchase 5 per cent. It is quite reasonable we should make up our back rent. I cannot see that the Government hold any big interest in it if they give us a bargain for 999 years. I think if they took it for any purpose, they would give us whatever the land was worth for the unexpired term of our lease.

287. *Mr. Forbes.*] Do you think it is reasonable to think the Government will break this contract : you say you have a fear of revaluation ?—A Bill was introduced to do so. That is the strongest ground we had for being frightened. The agitation of the towns we paid little attention to.

288. Was not that Bill brought in at the request of the tenants ?—I did not notice that it was.

289. If Mr. Bates asked for a revaluation in order to have a fair rent fixed, would that be an unreasonable thing ?—If it was to be applied to those only undervalued it would. For my own part, I am not greatly in favour of interfering with any contract, but would stick to it once it is made. However, the land laws of New Zealand have been invariably broken, and there have been several revaluations. There have been many cases down south almost on a par with Mr. Bates's case, where they surrendered, and got a reduction in rent. No one objects to that.

290. Do you not think provision should be made to meet cases where there has been an unfair revaluation, so as to make the rent a reasonable one : it is not good for the country that people should be working at rack-rents ?—It is not reasonable to suppose it is in the interests of settlement that they should work at such rents. As far as the Government of New Zealand is concerned, I daresay they have been honestly striving to fix the land-values so that men may make a living off the land.

291. In circumstances like that do you think there is any need for a Fair Rent Bill, if that is the spirit of it, to meet cases where people are overrented ?—If it was merely brought in for those cases we would not have any objection to it, but it was meant to apply to those who, by their industry, raised the value of the land.

292. Did you ever read the Bill ?—No.

293. You are speaking of what you heard ?—It is from what we read from speeches made in Parliament on the matter. The principal source of our information is newspapers and reports of parliamentary sittings.

294. Do you not think it would be better to get the Bill to find out exactly what was meant : you can hardly gather its contents from newspaper criticisms ?—If we had been preparing evidence for the Royal Commission we might have done so, but we are not altogether posted on that subject.

295. Under the lease in perpetuity is that the only reason you have for wishing the change ?—The only reason is the insecurity of tenure. I do not object to the leasehold, because it allows a man of small capital to devote it to improvements. But I should certainly, seeing how things have turned out, rather now pay the extra 1 per cent. to have the right of purchase.

296. Do you think your rent might be made higher ?—I expect it to be tried anyhow.

297. *Mr. Matheson.*] Have your dealings with the Land Board been satisfactory ?—Perfectly.

298. Have you had any dealings with the Advances to Settlers Department ?—Yes.

299. Have they been satisfactory ?—Not at all. The Advances to Settlers Department is supposed to advance up to one-half the valuation on the lease in perpetuity, but they value your improvements, and then offer about one-third of that value instead of half.

300. Do you know the value sent in by your valuer ?—I do not know that that is a fair question.

301. Do you know whether they agree to lend you one-half of what you sent in for ?—I do know that. I do not know whether it is a breach of faith to state that.

302. *Mr. McCardle.*] You think there is a general prospect of a Fair Rent Bill if the town carries it at the general election ?—I think it will be seriously tried for, but I am not afraid of it.

303. You think they will have to revalue your improvements ?—In revaluation we rarely get what they are worth.

304. Is your section bush land ?—It was ; it is now in grass.

305. You find that the valuation of your Ranger is very much below what it has cost you for falling, grassing, and fencing?—Yes.

306. He does not make any allowance for logging and the toil after that?—The Ranger values tolerably well, because the valuation came in at the time it was done. We spend money on cartage of wire and so on, and if the improvements were valued when we get the railway through, we should get no value for that, and they would value all the improvements under the Fair Rent Bill.

307. After you have done your burn, do you sit down and do nothing?—No, you very often have to chop your bush down again.

308. Do you get any value for that?—None whatever.

309. *The Chairman.*] Do you not think that the Fair Rent Bill was intended to apply to such cases as that of Mr. Bates?—I have no doubt it was intended to apply to his case as well, but not principally.

310. Do you think it is meant to apply to all the leases, and if a lease was considered too low the rent could be raised?—I think that was the underlying principle.

311. But to do that without the wish of the tenant would be a repudiation of the title?—It is not different from taking a freehold from a man at the present time.

312. That can only be taken on compensation being paid?—The labour agitation claims there is no interest.

313. If they could revalue and raise the rent could they not do the same with the freehold, and insist on you paying more: the one title is guaranteed by the State as much as the other?—They claim the right to take the freehold now, and, besides that, the State never quitted its right to tax the freehold for public purposes, which is really an application of rent.

314. Do you think the one title is as secure as the other?—I do not think it is at present.

315. *Mr. McCardle.*] Have you been long on the land?—I have been farming on my own account for twenty-two years.

316. Since that time there was an agitation amongst the settlers, and the Government brought in an Act allowing Land Boards to reduce the rent?—Yes.

317. That was to meet cases like that of Mr. Bates?—Yes.

318. So that a special Act is not necessary for that purpose, as they already have the power?—I do not know whether the Act is still in force or not.

WILLIAM McLEAN examined.

319. *The Chairman.*] Do you hold land?—Yes.

320. To what extent?—One thousand acres occupation with right of purchase, at Rakaauroa.

321. Is there any matter you wish to bring forward?—I have been deputed by the Rakaauroa Farmers' Union to place their views before the Commission.

322. How many members do you represent?—About thirty. I wish to put their views before the Commission on the freehold and the right of purchase.

323. Is there any other matter?—They consider that the interest of the Crown in a 999-years lease is practically nothing, beyond the original value. That is, if the original value was £1 per acre, the State's interest after the land had been improved is worth nothing, so that the people would lose nothing by selling the land at £1 an acre—that is, with the 1 per cent. to bring it up to the 5 per cent. which has been paid by the purchaser. At the same time the lease-in-perpetuity settlers pay no land-tax, and they only pay 4 per cent. If they were given the right of purchase they would pay 5 per cent. until such time as the purchase, and they would also pay land-tax. This, if the Government intend to hold to the contract for 999 years, would surely be a good thing for the colony. There is a general feeling of uneasiness amongst the settlers owing to the agitation of the labour councils, and so forth, in favour of the revaluation of these leases. There is the greater difficulty of financing them than there is in financing settlers with the right of purchase. Although in this district there are not so many lease-in-perpetuity as there are occupation-with-right-of-purchase settlers, if you look into the land agents' books you will see there are a great many more lease-in-perpetuity sections for sale than occupation-with-right-of-purchase sections. It is not good for the settlers to have this feeling of unrest. If you are to have a sound nation, you must have a population that is satisfied with its surroundings. In the matter of loading the land for roads, the usual thing is to put about 25 per cent. on for making the roads. I would like to point out that the land is valued for purposes of sale at the time of loading, then the additional amount is put on, and the settler has to pay rates on this additional amount until such time as he puts in labour, and makes the original unimproved value with the addition of the loading. He also has to pay interest on the additional loading during the whole term of his lease. I would like to refer to the question of the ballot. A good many people put in applications for land when they have no intention of becoming *bonâ fide* settlers. They are a great drawback to the genuine settler. He puts in his application alongside the speculator, and he is ousted out of the ballot, and then if he wants the land subsequently, he has to come in and buy the speculator out, and he pays for goodwill what should go towards making improvements on the land. It has been stated that the residence clause should be eased. I am not of that opinion at all. In this district, if the roads are made, there is no great hardship in having the residence clause in force. It seems to me it is the only means of checking the speculator. The speculator will not reside on the land, and the genuine settler will. I would suggest that no transfer should be allowed until the residence clause has been fulfilled, or until a man has resided at least two years on his section. If a settler avails himself of the four-years-exemption clause, then he should not be allowed to transfer until he has lived two years on the land after the expiry of the term of exemption. I would also apply that suggestion to cash lands as well as lands taken up under the other tenures. I would like to say in regard to land-valuations in this district, that no allowance is made for improvements caused by a settler, or a body of settlers, forming themselves into

a rating district, and raising a loan to make a road in the district, which may, perhaps, raise the so-called unimproved value of their land 10s. or, perhaps, £1 per acre. That sum is immediately clapped on to the unimproved value, although it is entirely the result of the money they have borrowed, and on which they are paying interest.

324. Is it not the fact that the representatives of these labour unions do not advocate interfering with the existing leases, but only that revaluation should apply to future leases?—No. Only the other day in Wellington the president came forward and one of the points he emphasized was that there should be revaluation of the existing leases at the death of the present occupier or upon transfer.

325. *Mr. Forbes.*] The Premier stated that he had never heard any member of Parliament make a suggestion of that sort, and that he would not countenance in the slightest such an immoral proposal as the breaking of existing contracts: is that not a sufficient assurance?—We are very glad to have the assurance of the Premier or any other gentleman, but we see the trend of labour opinion. We see all the principal labour organizations working that way. You say also you never heard a member of Parliament countenance the breaking of an existing lease. I believe there are several members of Parliament who have done so.

326. Have you any facts or dates to support that statement?—I know Mr. Ell and Mr. Laurenson advocated revaluation.

327. Of existing leases?—I cannot say definitely, but I feel certain they did.

328. The whole point is whether they advocated breaking a lease entered into between the State and tenant or whether they advocated legislation to apply revaluation to future leases?—I would not take up land under those conditions, but, of course, I suppose it would be optional whether a settler did so or not.

329. Do you not think that people might be perfectly genuine in advocating that?—They might be genuine, but they are very unwise.

330. You say the labour unions are causing all the unrest in regard to the tenures: have the farmers' unions had anything to do in causing this agitation?—Not in the direction of revaluation.

331. But in the direction of giving the freehold?—Yes, lately.

332. Do you not think that has had something to do with causing this feeling of unrest and with causing antagonism between the labour unions and the farmers' unions?—I do not think so. It is some eleven years since the lease in perpetuity was brought into force, and if you look up the records at that time you will see there were then a great many applications for land under that tenure, but ever since the labour unions started to agitate, and long before the farmers' unions ever thought of agitating, the applications have dropped away. Now there is hardly an applicant for land under that tenure.

333. You say the occupation with right of purchase is more popular than lease in perpetuity?—Yes.

334. Are there many Crown tenants amongst your farmers' union?—I think all are Crown tenants. There are some holding under lease in perpetuity.

335. You said the freehold would be better for the colony because the land would come under the land-tax?—Yes.

336. Do the tenants wish to come under the land-tax?—They wish for the right of the freehold, and they are quite prepared to pay the land-tax if they get it.

337. *Mr. Matheson.*] Have your dealings with the Land Board been satisfactory?—Yes, quite.

338. Have you had any dealings with the Advances to Settlers Office?—Yes, I was valuer for the office for a short time.

339. Do you think it has worked satisfactorily in your district?—I think it might be improved.

340. Have you ever known cases where they have refused a loan up to one-half of the valuation sent in?—Yes, I have only heard from the settlers the amount that was granted. There is one thing where the Advances to Settlers Department are at fault. I think too much time elapses between the date of the application and the granting of the loan. Then, if the loan is not enough the settler is prejudiced in going to fresh quarters.

341. Do you think the granting of the right of purchase will secure the State against loss in the event of bad times. If settlers are not allowed to get their titles and really bad times come, will not thousands of tenants have a very strong case for a reduction of rent?—Yes, I think if bad times came a great many of these leaseholders would throw up their sections. They are not bound to their sections under that lease as they are under the occupation with right of purchase.

342. Do you think the granting of the right of purchase would be a good thing for the community as a whole?—I think so.

343. *Mr. McCardle.*] You referred to the agitation for revaluation and quoted the meeting in Wellington: was not that a meeting of the delegates and leaders of the labour party in all parts of the colony?—I believe so.

344. And were not their resolutions exactly in the direction you stated?—Yes.

345. It does not matter what the Ministry in power may say, if these men can carry their wishes and have a sufficient majority in the country do you not think they will give effect to the principles they have enunciated?—Yes.

346. *Mr. McCutchan.*] Do you think the residence conditions are a sure safeguard against dummyism?—Yes, and they also tend to make life very much better for the other settlers in the neighbourhood. No man has the same interest in the land as the occupier. It is to his interest to make the social atmosphere better. He will go in for schools and libraries and all the other things which make country life a little more attractive. A non-resident has an interest in nothing except in the selling-value of his place, and whether he can get his wool in and out.

347. Do you think the present period of four years' exemption in the residence clause should be curtailed?—In some cases it would work rather hardly. The hardship consists in not having roads. When there are roads the hardship disappears.

348. Do you think it is reasonable to make a distinction in the residence conditions as between the lease-in-perpetuity holder and the occupation-with-right-of-purchase holder—namely, that one should have to reside for ten years and the other only for six years?—I do not see any reason for making that distinction.

349. Would you increase the six years to ten or reduce the ten to six?—I think six years constitute a sufficient safeguard.

350. At the time you were valuing for the Advances to Settlers Department were the Department making advances against the goodwill as well as against the improvements?—No, I simply had to value the improvements.

351. If you were valuing for the Department now and had to value two sections adjoining one another—one under occupation with right of purchase and the other under lease in perpetuity, and all things were equal on the two sections—which section would you consider the best security for the State?—The occupation with right of purchase.

352. Were your instructions as valuer to value to the selling-price?—I was instructed to value the improvements at the selling-value.

353. Your opinion then and also at the present time is that the occupation-with-right-of-purchase section is a more marketable commodity than lease in perpetuity?—Certainly.

354. Do you think applicants for land should appear before the Commissioner to be examined before being admitted to the ballot?—I have never given that matter consideration. I think residence is the only safeguard.

355. *The Chairman.*] As regards members of Parliament agitating for revaluation, have you known any member doing so in the House?—I cannot say I do.

356. Is not this agitation for the freehold playing into the hands of those who agitate for revaluation?—Certainly not.

357. Would it not be better to adhere to the present tenure and ignore the agitation to deprive you of your just rights?—We are quite satisfied with the present tenure if it was not for this feeling of unrest.

358. *Mr. McCutchan.*] It was stated in Wellington by the president of the Wellington Branch of the Trades and Labour Council that it was his opinion that the agitation on the part of that body of workers for revaluation was subsequent to the agitation on the part of the Crown tenants for the freehold: as a representative of the Farmers' Union can you speak on that matter?—I am sure it is not so.

359. That organization said also they felt they were justified in agitating for a revaluation since the tenants themselves agreed to a variation in their contract by accepting a rebate for the prompt payment of rent: do you think there is any force in that contention?—We have never had a rebate in the Motu district.

360. Were the settlers aware it was possible to get a rebate?—Yes.

361. Was any application ever made for it?—Not that I know of. The matter was discussed some years ago at the Settlers Association, and it was considered better to leave it alone.

362. *Mr. Forbes.*] Is not a section under occupation with right of purchase a better bargain in the market from a money point of view than lease in perpetuity?—Occupation with right of purchase is the most valuable tenure.

363. Does not that explain very largely why it is preferred?—All people who go in for land are not land-speculators. The great majority are genuine settlers who take up the land to make a home on it.

364. If you have the option of two tenures, and one is the better bargain, is it not natural that you should take the better bargain?—It is not a better bargain for me if I want to make a home on the land, and I am sure the tenure is right. I think the lease in perpetuity is the better tenure under those circumstances.

365. Could you not dispose of an occupation-with-right-of-purchase section to better advantage?—Yes.

366. Then, is that not one of the reasons why it is preferred?—No doubt, but it does not wholly explain the preference. It would no doubt influence a settler.

GEORGE REDPATH further examined.

367. *Mr. McCutchan.*] Did the settlers in the Motu district make application for a rebate of rent?—They did not make an application, but they applied that the Act might be brought into force in this district and a rebate given for the prompt payment of rent.

368. What was the reply to that application?—That it had not been done in the Hawke's Bay Land District.

369. If it is a rebate for the prompt payment of rent is not the money of the settlers in this district as good as that of the settlers in any other part of the colony, and are they not equally entitled to the rebate if they pay their rents promptly?—Perfectly entitled.

370. Was no other reason given by the Land Board than the fact that no rebate had been made in the province?—I never heard tell of any other.

371. We had evidence at Hastings that a rebate had been given under the Land for Settlements Act?—I have heard it mentioned, but I have never had any assurance that it has been done.

OWEN GALLAGHER examined.

372. *The Chairman.*] Do you hold land?—I am both a freeholder and leaseholder. I have 40-odd acres of freehold and about 50 acres of leasehold. I am an ex Crown tenant.

373. What is it you wish to bring before the Commission?—I have been appointed to come here by the small farmers who went on the first settlement ever cut up on the East Coast, at Patutahi.

Where there was formerly only cattle and sheep there are now one hundred families. They have all got the freehold, and with the exception of one or two who have mortgages they are all independent. That is what the freehold will do. But my object in coming here is not altogether to advocate the freehold being given to the Crown tenants as much as to advocate the abolition of private landlordism. Landlordism is a system which should be condemned by every person in the community. No private individual should be allowed to hold more land than he can profitably work. When a man holds more land than he can use himself and leases that land out I say legislation should be passed to enable those tenants to buy the freehold at the original valuation or perhaps at an advance of 10 per cent. on that valuation. There is no Crown tenant in New Zealand, if you give him the right to the freehold at the original valuation, but will avail himself of the privilege; but if you ask him to purchase at the present valuation he will say "No." I say give every tenant, whether he holds land from the Crown or from a private individual, the right to purchase the freehold of his land at the original valuation or at a percentage beyond it. I would not interfere with the Land for Settlements Act. I think that is a very good policy, but I think it should be carried on more vigorously.

374. You advocate the freehold?—Yes. I say you cannot build a country up under a leasehold system.

375. *Mr Forbes.*] Do you consider the lease in perpetuity a good lease?—All the Government tenures are good. I would not touch it.

376. Are there any large estates about here that ought to be cut up?—Unfortunately there are, but the Government are not game to tackle them.

377. Have you ever got up an agitation asking the Government to move in the matter?—Yes; our farmers' club got one up, but the manager of the estate came in and said we were not to deal with his estate, and he made away with the petition.

378. *Mr. Matheson*] Do you know the present land-for-settlements policy in Ireland, whereby the State is buying up large estates and letting the land to the tenants who, by paying fifty years' rent, then get the freehold of their sections. Do you think that is a very admirable way of settling the land?—I believe in it under the circumstances.

379. Do you think it would be better than our land-for-settlements policy?—They have taken their example from our laws; they cannot improve on them.

380. In Ireland the tenant becomes a freeholder in fifty years, but here he pays rent for a thousand years and then loses all hold on the land: do you not think the Irish land law is better?—No; I stick up for the laws of New Zealand.

381. Right or wrong?—Yes, right or wrong.

382. *Mr. McCordle.*] You say there is suitable land here to be cut up into small holdings?—Yes.

383. Has the settlement on land that has already been cut up been a fair success?—Yes.

384. Do you think the people here are anxious to settle under the Land for Settlements Act?—Yes.

385. Do you believe in limiting the amount of land any one man can hold?—Yes.

386. Do you think an amendment of the Land Transfer Act in that direction would be an improvement?—Yes. I think we need never be afraid of the aggregation of large estates while we have our present machinery and keep men at the wheel to work it.

387. Have you had any experience of the Advances to Settlers Act?—Yes.

388. Do you think it is a good Act, and in the interests of the country?—It would be if there was not so much red tape about it.

FRANK STEPHENSON SMITH examined.

389. *The Chairman.*] You are District Surveyor and Land Officer in this district?—Yes.

390. You have a knowledge of the various settlements: are they in a satisfactory condition?—Yes.

391. The tenants on the whole are satisfied?—So far as we know they are very satisfied.

392. Are the roads fairly good in these settlements?—No; they are very bad.

393. Would it not be better policy on the part of the Government to make a main road through a district before proclaiming the land open for settlement?—Most decidedly, if they could afford to do so.

394. *Mr. Forbes.*] Is there much Crown land yet unopened?—Very little now.

395. Is there a demand for Crown lands when you open them up?—Yes, a great demand.

396. Is there any land coming on the market?—There is some coming forward as soon as the survey is completed. It is bush land. At present no attempt is being made to road it. It would be worth more if the roads were made into it, and it would be more satisfactory to the settlers. The land varies in price from 10s. upwards according to its quality and accessibility.

397. *Mr. Matheson.*] Do you think it would be wise to stop the Land Board from opening a block unless they can see their way to give a cart-road within five years?—I think that would stop settlement altogether.

398. Do you think it would be a better land-settlement policy if all blocks were sufficiently loaded to enable them to be roaded within five years?—If the country could afford it I think it would be well-spent money.

399. Do you think it would be well to wait until we could afford it?—I do not know. The people are very anxious to get land now.

400. Do you think the present method of making roads by means of direct grants from the Government is wise?—Yes.

401. Do you not think it would be much sounder if the tenants or ratepayers were subsidised according to the way they rated themselves: the grants would be automatic instead of being an act of grace?—I cannot say. I have not thought about the question.

402. *Mr. McCardle.*] The want of roads is the greatest drawback to successful settlement here ?—Yes.

403. Do you not think it is the duty of the State to come forward with some reasonable scheme for roading the country ?—Certainly, it would be to the advantage of the settlers.

404. You have been three years in the district and I suppose you have seen the necessity for this ?—Yes. I may state I have nothing to do with the roads.

405. *The Chairman.*] Have you much knowledge of the Native lands of the country ?—I have a slight knowledge gained by riding through them.

406. Have you ever given much consideration to the question as to how Native lands should be dealt with ?—Every one has his ideas and I have mine. I hope to see the Native-land trouble settled some time.

407. Do you think the Government should give the Native population reasonable time, say, a year, in which to prove ownership, and then arrange to set sufficient land aside for the Natives for their own use, which land should be inalienable, and then deal with the balance of the land in the same manner as they deal with European lands under the Land for Settlements Act ?—I do not see why they should not take the land under the Land for Settlements Act immediately. The question of the ownership of the lands could then be settled afterwards.

408. Is not the presence of this large area of Native land, which pays no rates, a great bar to settlement here ?—It is the greatest trouble we have in this district.

409. Do you think, in the interests of the Natives, something should be done ?—Certainly.

410. Do you think the bulk of the Natives are desirous of having something done ?—Yes. I do not think they have any particular desire to do it themselves ; but it would be in the interests of settlement.

ALFRED FORD MATHEWS examined.

411. *The Chairman.*] What are you ?—I am a surveyor in this district.

412. What is it you wish to place before the Commission ?—In the matter of roading I would like to point out to you that on account of the difficulty in obtaining metal the making of winter roads is almost prohibitory. Therefore, I think, light railways are wanted to open up the country for winter traffic.

413. *Mr. Forbes.*] When settlement takes place in the back blocks, do you think proper roading should be made to give the people access ?—Perhaps I have a fad, but my own idea is that you cannot make metal roads under anything from £1,000 to £2,000 per mile for the reason I have stated. You can make a light railway for that amount, and to my idea that is the best method of opening up the lands in this district.

414. How do you do at present for metal ?—We get it out of the river-beds where we can find it ; but, excepting our main roads, none of our roads are metalled.

415. *Mr. Matheson.*] If your light railways were constructed you would still want roads ?—We should want roads leading to them but not of any great length.

416. Would you not want just the same amount of roads as you do at present ?—We should have the roads, but all the heavy traffic would be taken by the light railways.

417. Your suggestion is that there should be light railways, not in place of roads but in addition to roads ?—Yes.

418. *Mr. McCardle.*] You could, by the aid of light railways, make the roads much cheaper because you could carry the metal at a cheaper rate ?—Yes, undoubtedly.

419. *Mr. McCutchan.*] The construction of roads and railways is all a question of money ?—Yes.

420. Every district wants railways and roads as feeders to the railways ?—Yes.

421. This is papa country and there is practically no metal in papa country. Do you know if the Roads Department have tried burning papa here as has been done elsewhere ?—I have the statement of the County Engineer, who said he had tried it, but that it was a failure. It has been suggested that he should burn clay, and his opinion is that if there is bush handy it answers in some cases. But the bush has mostly disappeared in this district, and it is hardly possible to carry out that suggestion.

422. *The Chairman.*] If these light railways were made your clay roads would still be sufficiently good for driving stock ?—Yes.

GEORGE DUNN examined.

423. *The Chairman.*] Do you hold land ?—No, but my wife holds 32 acres under lease in perpetuity, in the Willows Estate. We reside on the section.

424. What is it you wish to bring before the Commission ?—We want the freehold of it. I have nothing to say against the Land Board ; they have treated us very fairly. The lease in perpetuity is a very good tenure, but still when one gets on and saves £100 or so, I think the State ought to allow one to put that into one's section, and so reduce the rent. My position would then be stronger in the event of bad times coming along. I want to convert the lease in perpetuity into a freehold.

425. If the tenant was allowed to reduce his rent by paying off, say, half the capital value of his section, and if all restrictions were then removed, would that answer all purposes ?—We want to pay off the lot. We want to have something we can call our own.

426. *Mr. Forbes.*] If you were granted the freehold of your section you need not reside on it ?—No, but I would all the same.

427. Do you not think the wish to get rid of restrictions has something to do with the desire for the freehold ?—No, I think residence is necessary.

428. Do you think the settler should still be subject to the Land Board and to the residence conditions if he is granted the freehold ?—Yes, so far as residence is concerned. I think it is necessary a settler should reside on the land.

429. Is it the danger of revaluation that makes you ask for the freehold?—No, I have confidence that the lease will not be broken.

430. What is your rent?—£1 0s. 10d. per acre. It is good dairying land.

431. *Mr. Matheson.*] Was the estate on which you are settled purchased with borrowed money?—Yes.

432. Can you see how it would hurt anybody if the settlers were allowed to pay off the capital value, which would enable that debt to be repaid?—I cannot; I think it would be very good, because the money could be used to purchase more estates.

433. *Mr. McCardle.*] You think the right of purchase would be better than the tenure you hold under now?—Yes.

434. Would you be prepared to offer any extra amount for the land if you are given the right of purchase?—Yes, the amount the Government have spent on the estate, including the cost of roads, surveys, and other charges.

435. It would cost the Government something to change the tenure, and, of course, they would lose the high rate of interest, namely, 5 per cent., they are at present charging: in view of these facts, would you be quite prepared to pay a little extra amount to get the freehold?—Yes, I would be willing that the Government should put a little more on the land.

436. Have you had any experience of the Advances to Settlers Act?—No.

437. Has it worked satisfactorily with your neighbours?—I have heard them complain that they are too long in getting the money.

438. Is there any suitable land in this neighbourhood for small holdings like your own?—Yes, plenty.

439. What is it worth per acre?—From £30 to £40.

440. Would it pay settlers to pay a rental on these prices?—I do not think so.

441. *Mr. McCutchan.*] Do you know what your rates amount to?—£3 10s. a year; but that does not include the Road Board, who are going to strike a rate which will mean another £1 10s. or £2 a year.

THOMAS JOHN DUNSTAN examined.

442. *The Chairman.*] What are you?—I am a leaseholder at the Willows Estate; I hold 33 acres 3 roods 32 perches.

443. Do you wish to make a statement?—I want to speak about the loan business. About four years ago I applied for a loan to the Government Advances to Settlers Office. I had a house on the land, and my improvements altogether amounted to £200. In due course they sent out a valuator, and I got a reply that they would give me £50; I had asked for £60. I wrote expecting that I would get the money at once, and when I got it, three months afterwards, it was of no earthly use. I had to sacrifice my crop of linseed, and I had to make other financial arrangements. If we got the money more promptly it would do away with all that trouble.

444. You think they should be more expeditious in dealing with applications?—Yes. I had to sell my crop at a disadvantage in order to get the money I wanted to pay off the debt on the house.

445. *Mr. Forbes.*] Do you reside on the lease?—Yes.

446. What rent do you pay?—£1 0s. 10d. per acre.

447. And are you satisfied with the lease in perpetuity?—Yes, but I would sooner have the freehold.

448. There is nothing in the lease in perpetuity that prevents a man from improving his place and making a home of it?—No.

449. You think that if the right of purchase were added, it would make it a better tenure?—I would be better pleased if I had the right of purchase.

450. You would be agreeable if the restrictions as to residence should remain as at present?—Yes.

451. *Mr. Matheson.*] Do you think that, if the right of purchase were granted to Crown tenants, it would be wise for the Government to charge some additional percentage on the original price to cover any loss that might occur?—Yes, if the Government spent some money on the roading so as to secure the benefit of the settlers and some more on drainage that ought to be added to the valuation, and we ought to have the land on those terms.

452. That is supposed to be a high rent you pay?—Yes.

453. Do you think it would be reasonable to add something for the risk of the State having undesirable sections left on their hands? Would you be willing to pay a little more on the original price if you could get the right of purchase?—Yes.

454. *Mr. McCutchan.*] Whom did you make application to for your loan?—I forget now. I know I paid 10s. 6d. to fill in a form to send to Wellington.

455. How long after paying the 10s. 6d. was it before the valuer came?—It was not very long before he came; about a week or so.

456. Have you any information as to the valuation put on your improvements?—No.

457. Are you quite sure the £200 you place on the improvements was a reasonable valuation?—Yes, because there was new fencing and a new house and sheds up at the time.

458. You cannot account for the delay?—No, I went to Mr. Sievwright about it, and he got tired of me calling; he said, "When the reply comes I will send it on to you."

459. Did you not get a communication from the Department?—I asked for £60, and they sent to me asking if I would take £50. That was nearly three months after I had applied for the loan.

ORMOND, THURSDAY, 22ND JUNE, 1905.

JAMES SHEDDON REID examined.

1. *The Chairman.*] Are you a landholder?—I hold a lease in perpetuity.
2. Situated?—Waimarie.
3. What extent?—Fifty acres.
4. I suppose there are some matters which you wish to speak of?—I am very well satisfied with the lease in perpetuity and with the way I have been treated by the head of the Department—by the Land Board. I think that the lease in perpetuity ought not to be done away with.
5. You think it is a good tenure?—Yes, it has put many people on the land who otherwise would not have been on the land, but when people begin to be a while about a place and make it homely-looking, they like to make it their own property—a freehold. For that reason, I would prefer the freehold, but I would not approve of the leasehold being done away with.
6. You think it enables many men to get on the land who otherwise could not do so?—I has put thousands on the land who never could have got there. The only thing is that people are afraid that there might be a change of Government which would upset their security of tenure. That is about all I wish to say on the subject.
7. *Mr. McCutchan.*] You think the lease-in-perpetuity tenure should remain?—Yes.
8. But still you want the right of purchase?—Yes.
9. You have the lease-in-perpetuity tenure, and know what the occupation with right of purchase tenure is: which do you prefer?—I am not conversant with the occupation with right of purchase.
10. The occupation with right of purchase provides that after ten years, if you fulfil the conditions laid down by law, you have the right of purchase?—Yes.
11. Do you think that that is better than the lease in perpetuity?—It is difficult to say. Is the interest the same?
12. The lease in perpetuity is 4 per cent. and the other 5 per cent.?—The worst thing about the lease in perpetuity is that I have not enough land, and cannot get any more. It is very good land; I value it at £20 an acre.
13. Are you under the Land for Settlements Act?—It is lease in perpetuity.
14. You have no right of getting a second section?—No, although some of the sections are lying idle and producing nothing.
15. Right adjoining you?—Yes.
16. Do you think it is reasonable that you should have the right of taking up one of those sections?—Yes, I think so.
17. Was your block loaded for roading?—Yes; I pay £6 a year for rates.
18. The Government did not load the block for roads?—No. I have to pay Harbour Board and county rates.
19. Have you had any experience with the Advances to Settlers Department?—No.
20. You are satisfied with the Land Board control?—Yes.
21. Do you think that members of Land Boards should be elected or nominated as at present?—I have not considered the question.
22. *Mr. Forbes.*] How much rent did you say you were paying?—£1 an acre.
23. And you say that some of the land is not occupied?—It is all occupied, but there is no return coming out of the land at all.
24. Is that land settled on the same terms as your own?—Yes.
25. And the people are living on it?—Yes, but they are not making the land produce anything.
26. What are they using it for? It must be a great loss to pay £1 an acre for land which is doing nothing?—Yes, the lessees may have a couple of cows and a horse. The holdings are too small, and the men go away working, with the result that the land is neglected.
27. How many cows can you carry on your 50 acres?—Thirty cows and young beasts and a couple of horses.
28. Could not a man make a good living on these sections?—They are not big enough.
29. Are they not as big as yours?—No, they are only 14 and 15 acres.
30. Was it thought that when this land was cut up that people would be able to make homes on it?—Yes, but a man cannot afford to get machinery to do anything with the land.
31. Do you think it is a mistake to cut up land into such small areas?—A very great mistake; it is only wasted. A man should get as much as he could be employed on.
32. And if for a home it should only be a few acres?—Yes, a few acres for that purpose.
33. You said you would like to be able to get the right of purchase over your place?—Yes, I would like the right of purchase.
34. You thought it was on account of the change in Government that might affect your lease?—Yes, or revaluation.
35. Is it reasonable to think that in any alteration that might be made in your lease, you would be compensated in any way?—That is what I hold, that if the Government were to break our agreement they would have to compensate us.
36. The experience has been that if they give a freehold over the land, when they break this by taking land for settlement, they compensate the settlers?—Yes.
37. Is it not reasonable to suppose, then, that if they broke the lease in perpetuity they would compensate the settlers in the same way?—Undoubtedly so.
38. Under those circumstances, if it were thought to be in the interests of the colony that these leases should be broken and compensation given, there would not be much injury done?—No.

ALEXANDER CAMPBELL STEELE examined.

39. *The Chairman.*] Do you hold land?—Yes; I hold 1,987 acres under small-grazing-run lease at Hangaroa.

40. What is it you wish to bring before the Commission?—I come before you representing eight settlers in the Hangaroa district. Their tenancy is small-grazing-run lease, and under that tenure we are unable to rate ourselves to form our roads in the different blocks. This, to us, is a very great grievance, because, although we are quite willing to pay all these rates, yet the Government, under the present law, will not accept a small grazing-run as security for any loan we might propose to raise. I have been there some four years, and have developed half of my property. My neighbour has developed some 1,500 acres, and another neighbour 300 or 400 acres, and in fact, we are all progressive settlers. Yet we are considerably handicapped, inasmuch as we have to pack a distance of ten miles everything into our properties. We have to bring all our wire and grass-seed, and everything to our places by this pack-track, four miles of which I made myself. We have approached the Government with a view to getting an alteration in this respect, but, so far, we have been unsuccessful, and the last advice we have is that a sum placed on the estimates will be the solution of the difficulty. But we do not consider that to be a solution. We think that what is wrong is our tenure. If under another tenure we should be able to rate ourselves, and make our own roads, and be independent of everybody. I have been requested to come before the Commission and state the case for the settlers. I shall be glad to furnish any further information that is desired.

41. Are you within a county area?—Yes, we are under the Cook County Council. We have approached the County Council to raise a loan. We came before the Council with a proposal for a loan of £3,000. The Council were unanimous in approving of this proposal, and it came before their solicitor before going to the Government. We drew in the Tahora country. It was Native land vested in trustees at the time, and we thought it would be taken as security for our loan, because by law we have to have a set proportion of freehold to enable us to borrow. The Council approved of it, but their solicitor said that for the purpose of rating this must be considered Native land, so that our scheme for rating was thrown out. That was some four years ago. We have approached the county since, but still without success. We still have to pack our goods ten miles, and bring all our wool over the track, which at present is impassable.

42. *Mr. McCutchan.*] First of all, what have the Government done in the past in regard to giving road access in this district?—Absolutely nothing.

43. Does your road go through the Ngatapa Station?—Yes, and then goes over a stock-track and four miles of a bridle-track.

44. The Crown had a considerable area at the back of the Ngatapa Block?—Yes.

45. The road goes through the block for eighteen miles?—It goes ten miles, and then there is a piece of road for four miles—that is fourteen miles from Ngatapa.

46. And made by these settlers?—Yes. They have a certain benefit from the side track to my place, outside that Ngatapa Station.

47. What has the Government done with regard to roading these small grazing-runs?—On a portion of the Hangaroa they cut a track called the Hangaroa-Waikaremoana Track, without giving anything to benefit my place and the adjoining neighbours.

48. And do the settlers propose to take the whole of the roading on their own shoulders?—Yes.

49. In face of the fact that the Government road the whole of the colony?—Yes.

50. Do you think this is wise on the part of the colony?—I do not.

51. You think you have a claim on the Government for that expenditure?—Yes.

52. Is it a forlorn hope that you are proposing to raise money for roads under the Loans to Local Bodies Act?—Yes.

53. And you find the law is such that you cannot raise the loan?—That is so.

54. Do you know any valid reason why the law should stand in the way?—I am unable to see why they prevent us doing a benefit to ourselves and a benefit to New Zealand. It will eventually be a main arterial road.

55. You simply wish to have the legal objection removed to enable you to raise a loan?—Yes; but it must be a difficult matter to alter the law. It was brought before the Government four years ago, and still they seem unwilling.

56. The difficulty is that the small grazing-runs were got at a low rental because they were in rough country?—Yes. We have no objection to the tenure, except that it prevents us from rating ourselves.

57. The difficulty is perhaps this, that the first term of the small-grazing-run lease is twenty-one years, and if you wish to raise money under the Loans to Local Bodies Act, even at 5 per cent., you cannot get it for a lesser term than twenty-six years, repayment of interest and sinking fund being spread over the whole of that term, which exceeds the term of the lease itself by five years?—Yes.

58. That is not a valid objection, inasmuch as you are making improvements from year to year?—I consider that our holdings are ample security for the money.

59. The loan would still remain a charge against the land?—Yes; if at the end of twenty-one years we decided not to continue our holdings that holding would carry what remains of the loan. I have the opinion of three solicitors on that point. I was informed that under any other tenure we could have obtained our loan. We have a right of renewal. We have six months' notice in which to decide whether we will take our land for a further term.

60. Is there not some difficulty inasmuch as you can only get a valuation for visible improvements on the land when you may have gone to considerable expense for improvements that are not visible?—Yes; in our country you make a lot of improvements that are not visible.

61. You think that the present method of making the valuation should be modified, and that a more equitable method should be adopted?—Yes, I certainly do.

62. Does not the same objection in regard to raising money for roads apply in getting money from the Advances to Settlers Department: if a settler endeavours to get money he only gets it on condition that for whatever proportion of the loan is unpaid when the twenty-one years has expired he has to pay in a lump sum?—Yes.

63. And instalments under the Advances to Settlers scheme runs for twenty-six years?—Yes.

64. Is there any reason why the Government should not call on the holder of the lease for the unpaid balance?—I should say not, as there are enough improvements on the land to meet it. There is another objection, that when you attempt to raise money their valuer takes into account the inaccessibility of the land.

65. Although the valuation is on the prairie value, they still cannot charge you more than 2½ per cent. on that valuation for the second term?—Yes, that is the case. When you endeavour to raise a loan they point out the inaccessibility of the land.

66. You want an alteration in the law to enable the holders of the small grazing-runs to raise loans in order to make roads?—Yes.

67. Do you think there is any way to secure to you the value of your improvements except by way of the right of purchase?—The Government pay valuation.

68. Do you think that many improvements made are out of sight?—Undoubtedly. No one could develop the back country unless he made good tracks and culverts.

69. You think the only way to secure the value of all the improvements is by the right of purchase?—Yes. The incoming tenant or the Government would reap considerable benefit.

70. You think that by tenants raising a loan in order to get road access would be doing a very great benefit to the colony?—Most certainly.

71. Do you think that when they are prepared to do so the colony should subsidise them pound for pound?—If it would benefit the country behind I certainly think they should get some concession from the Government.

72. Have your dealings with the Land Board been satisfactory?—I have only had to approach the Land Board on one occasion, some three years ago. The block I took up was 4,000 acres, and it was too much for my limited capital to work. A friend of mine decided to come in with me, and we intended to divide that block. We commenced the work at once, and we got the surveyor to survey it, which was approved by the Land Board. If we had applied to the Land Board for the division of the block before taking it up, they would probably have granted the survey, but we had to pay at the very start of the place a matter of £50 for cutting the line between us. We made application to the Land Board for payment of this, but the Board did not see fit to pay and refused our application.

73. They were reasonable in this way, that if they were to grant your payment it might lead to very heavy expense, inasmuch as it was not authorised. As business men they should have been approached before being asked to grant the money?—But they knew that we took the land up with the view to cutting it up. We could not have settled that block had we not worked together in this way, and we certainly thought we should have had the survey done. Blocks were afterwards cut up and surveyed.

74. Did you apply to them to divide it for you?—I applied for payment.

75. But did you apply to them to do it for you?—No.

76. *Mr. Forbes.*] Have you known any case of unfair valuation by Government valuers?—No, I do not.

77. You cannot say that in valuing the improvements on these places the tenant will be unfairly treated?—No, except that frequently valuers are appointed who are, in my opinion, not competent to value.

78. That is the valuation in the ordinary way for taxing and rating purposes?—Yes.

79. Have you known of any case in which the outgoing tenant has not received a fair valuation?—No.

80. *The Chairman.*] Is there a large area of Native land in your locality?—There is the Tahora No. 2 Block, which is vested in the East Coast Native-land Trustees. It is a block of about 78,000 acres.

81. What is the condition of it?—Unimproved. Ten thousand acres of it were sold the other day, and the balance cut up into sections, and they are now offered to the public on lease.

82. There is no great drawback in that locality otherwise?—Only in the Native blocks, the land being tied up.

83. Have you much knowledge of the Native country?—No, I cannot say that I have.

84. It is a great bar to settlement is it not in some parts?—I know it has been in this particular district in the past.

85. Do you think that the Legislature should deal with that matter?—Yes, very strongly.

86. After securing to the Natives sufficient for their own use, do you not think the rest should be dealt with in the interests of settlement, probably on the same lines as the Land for Settlements Act?—Yes.

87. That would be in the interests of the country?—Yes.

88. And also of the Natives themselves?—Yes, because they will not work as a community. The Native says, "What is the good of my working if the rest of the pa will not?" The Natives I have met with in my part would be in favour of that.

89. Sufficient land being made inalienable and retained for their own use?—Yes. They would like to have their land individualised, so that each man could deal with his own. Many of the Natives would like to work the land for themselves, but not for the community.

90. You think that many of the Native lands should be dealt with by the Government, and the revenue distributed by the Government amongst the Natives for all time?—Yes.

GISBORNE, SATURDAY, 24TH JUNE, 1905.

WILLIAM HENRY TUCKER examined.

1. *The Chairman.*] You are Chairman of the Cook County Council, I understand?—Yes, but I have not come forward to give evidence in my official capacity. I am the lessee of Campbell Island from the Southland Land Board. It is with reference to that I want to speak.

2. Under what kind of tenure do you hold?—Pastoral lease. The circumstances are entirely singular, and I think ought to be treated exceptionally. Campbell Island is more than four hundred miles from New Zealand, and it is very expensive to communicate with the island. It costs £250 for every trip of the steamer. When the land was offered by the Southland Land Board it was stated that there would be two trips per annum of the Government steamer, and the Government steamer at that time was running two half-yearly trips. That was subsequently discontinued, and periods greater even than eighteen months sometimes elapse without a trip, so that no dependence whatever can be placed on the casual visits of the Government steamer. I have, of course, no expenditure of Government money of any kind—no railways, no telegraphs, no roads or bridges, and no harbours; nothing at all. The Government does not spend sixpence on the place. All such works as bridges, tracks, and particularly shipping facilities fall upon me and have been borne by me up to the present time. I did ask the Government to be kind enough to give me one or two fender piles, but I got no reply to my request at all: so they have given no assistance of any kind. Under these circumstances—the great distance of the place from New Zealand, the extreme costliness of communication, the fact that no Government money has been spent, and the fact that considerable moneys must be spent by me and have been spent by me in order to render the place workable—I think I am in an entirely singular position. I know of no other, save, perhaps, the Kermadecs or the Auckland Islands, which would come in the same category, and I would respectfully represent to this Commission that I am entitled to some better tenure than I have at present. I do not ask for the freehold unless the Government wish me to buy the place, but I do say I am entitled, by reason of my having gone to considerable expense, to some protection for my improvements, or in the alternative that these necessary works should be performed by the Government. The ordinary landlord, I think, would meet his tenant in a reasonable way. It has always been my custom to meet my tenants either by giving them reasonable improvements made by myself, or else if they make the improvements giving them some protection for those improvements. If the present case were one of ordinary pastoral license, or an ordinary Government lease on the mainland, I should be quite willing to abide by the ordinary regulations which affect such tenants, but I say this is an entirely singular case for which no provision of any kind has been made and which probably never has been contemplated in the land leases which were framed with respect only to tenants on the New Zealand mainland and not with regard to these outlying islands. That is all I have to say, gentlemen. I respectfully request that you will consider my case and make such representation as you think will enable me to be treated with fairness and justice. What I would myself suggest is that I should be given a lease of the same description as is given with respect to tenures on the mainland—occupation with the right of purchase, lease in perpetuity, or the right of purchase by auction—or in some other way that I may be enabled to protect the very expensive improvements which I have been compelled to make.

3. You think this is a case where the ordinary land laws of the colony are not applicable?—It seems that they are not, sir.

4. What is the length of your lease?—I think there are about fifteen years unexpired.

5. What was the term from the beginning?—Twenty-one years.

6. With no right of renewal?—No.

7. What revenue does the Government derive from the island?—Well, as to my rent, they put it up at an upset I think of £2, but there was bidding for totally other reasons than for the purpose for which I have taken it. It was supposed to be the habitation of seals, and there was bidding in consequence, and it was run up to £15. That is not the only revenue the Government derive, because they charge me Customs duties on whatever I consume, and if it comes to a visit from the Government steamer they charge me more than if I chartered a vessel myself, so I prefer to charter a vessel.

8. Do you think the Government should allow you for your substantial visible improvements?—I think they should give me a better tenure than I have. They may turn me off at a moment's notice: that is not fair.

9. Not until the expiry of the lease?—I think they can in the case of a pastoral lease. There is not the faintest chance of any other person wanting the island. It could not be worked except by a man with the control of capital. It would cost you £250 to even go and look at it. They might pay me for the house and the woolshed. I doubt whether they would for my wharf.

10. *Mr. Matheson.*] Does your lease provide any compensation for improvements?—Yes, I think there is something. I do not know whether the lease says they will assess it at two or three years' rental.

11. What is the acreage of the island?—Twenty-five thousand acres.

12. What are you using it for?—A sheep-run. It is not fit for anything else.

13. Your chief export is wool, of course?—Wool and sheep.

14. What does your wool run into per annum?—It depends on the number of sheep.

15. What number of sheep are you grazing there, roughly?—Six thousand.

16. Do you feel that the Government have broken the conditions of the lease you took up?—

Yes.

17. By stopping this regular service?—By not fulfilling the conditions.

18. Apart from that these troubles were troubles which you were aware of when you took up the lease?—No, it was an experiment.

19. You were aware of the question of compensation?—I am not laying any stress at all on that.

20. Is not your grievance that at the expiry of the lease you have no compensation, and you are asking for an alteration in the tenure in consequence?—My main grievance is this: I say I have no safe tenure at all, but may be put off at any time. It is not likely conditions would arise that would lead to that, because I do not think the land could be used for close settlement or for any other purpose than that for which I at present use it.

21. Do you consider you have any claim against the Government for conditions which were in existence when you took the lease up: the only alteration of the conditions is the stopping of the steamer, is that not so?—I do consider I have a claim. I do consider it is fair to take into consideration the singular circumstances of this outlying island, and to make provision for them. They would put them in no worse position, at any rate, than they would on the mainland.

22. Does it not seem to you that it would be more businesslike that, having accepted the lease on these conditions, you should allow it to run its term, and that fresh conditions should be made under the new lease?—It is not for me to dictate to the Government or to suggest how it should be done. I should not object if they said, "You must continue under the existing conditions, but at the end of the present term we will give you a fresh term." That would satisfy me.

23. *Mr. Forbes.*] If you had the right of renewal for a further term of twenty-one years, would not that conserve your improvements?—For that time it would, of course.

24. If you had the first option of taking it on for another twenty-one years?—That would be a great step in my favour.

25. In the case of people who are holding pastoral leases in very high country in New Zealand there is an arrangement something like this: The Government say that they will give them the first option of renewal, seeing they have gone into this back country and put up with the loss of stock, with snow-storms, and so forth. If the first option of renewal for a further term of twenty-one years were given to you do you think that would meet your case?—It would be a great amelioration of my conditions, but at the same time that there is considerable similarity between their holdings and mine, yet they are much more favourably situated than I am, because they are on the mainland. It does not cost them £250 each time they visit their leasehold. They probably are within a short distance of telegraphic and telephonic communication, they may not be many miles from the railway, and participate in all Government improvements. But all these things I am shut out from, so that, even compared with the others, my condition is one I think which might fairly be treated exceptionally.

26. These other islands which you mentioned, are they let on the same tenure?—Yes. The Auckland Islands are let, but the leaseholder has done nothing with them. He did take two loads of sheep there—I am speaking of Mr. Fleming—but I do not think he is doing anything now. He found, as I found, the expense was very great and that all expenses of improvement must be borne by himself, and he does not seem to me now to be going any further in the matter.

27. *Mr. McCutchan.*] Was this land taken up under the Act of 1885 or the Act of 1892?—I could not tell you, I do not know. It was taken up subsequently to 1892, and therefore I suppose would be under that Act.

28. Was this fact about the Government steamer running twice yearly a condition?—Yes, it was announced at the sale by the Commissioner of Crown Lands.

29. But it was not in the printed terms of the sale?—No, I suppose not, but at that time it was a fact that the Government steamer was running about twice a year under Captain Fairchild.

30. Did the Commissioner state at the time that it would continue to run twice a year?—Yes, in my presence it was stated. Mr. Batger went with me and said, "You know one of the conditions under which this land was taken was that the Government steamer should run down there twice a year?" The reply was, "Yes, that is so."

31. Is the island entirely free from rates?—I do not pay any rates.

32. There are no rates leviable?—I pay none. The Commissioner of Taxes did send me a valuation-paper, "Take notice you are valued so-and-so," but no one has demanded anything.

33. There are no local rates leviable?—I may, perhaps, form a Road Board and rate myself. At present I pay heavy rates because every work performed there is performed by myself alone.

34. Is it not the case with reference to these areas that they are let under this tenure with a view in the future to closer settlement?—I apprehend it is so, but I have already pointed out already that closer settlement could not possibly take place there.

35. You are running six thousand sheep now and it may be capable of further improvement: surely there is room for closer settlement?—I should be very sorry to take it up for anything else than I do.

36. Is it capable of further improvement?—Everything is capable of further improvement so far as I know.

37. Is it Native grass these six thousand sheep are being depastured on, or have you laid grass down?—Partly the one and partly the other. There was some grass there as well as a quantity of indigenous herbage, but I have been sowing grass which I have taken there.

38. Your desire is that instead of getting compensation you should get a better tenure?—Yes; I do not ask for compensation. I ask for some form of tenure similar to that which is given by the Government on the mainland.

39. You are Chairman of the County Council here?—Yes.

40. Are you averse to answering questions with reference to local government matters?—No, I will answer if I can.

41. We find that a large number of settlers are very much hampered by the inadequacy of transit facilities?—I can well understand that.

42. As Chairman of the Cook County Council, you are aware of this difficulty: that while the settlers are complaining of the want of these facilities the County Councils are complaining that their funds are inadequate for the purpose?—Yes.

43. Have you ever thought out any scheme that would place the matter on a more satisfactory footing?—I think the greatest cause of complaint we have is this: That although the Government occasionally give you a grant for this, that, or for the other purpose, yet that you do not receive anything from the Government as a matter of right; that you have no right to go and ask the Government to give you £1 because of the area, because of your population, because of your imports, or because of your revenue, and there is no fund from which you can obtain any grant. There is no proportion between the grant that you might obtain and any one of these things, and I maintain there ought to be.

44. Do you think that advances should be fixed by statute instead of by favour as at present?—I think there should be legislation in that direction. I think it should be our right to go to the Government and say, because of one of these things—because we have such an area, or such a population, or such a revenue—we are entitled, and they should be forced to make us, a certain grant.

45. Do you think road-construction should be a charge on the revenues of the country, and that road-maintenance should be the duty of the local bodies?—I cannot help thinking it would pay the Government, before they dispose of the land, that to some extent they should make and form reasonable roads that would give access, because I think that the enhanced price the land would thereby bring would pay interest and sinking fund on the expenditure. I am quite certain that the settlers give infinitely less where they fancy that they themselves will either have to make these roads or else go without them. I would say it would be wise economy to make sufficient roads to enable access to be given.

46. Now, if the Government make and metal all main roads and simply form for wheel traffic all by-roads?—If we are to continue as we are now, receiving nothing at all by right and only getting an occasional dole by favour, then I do think that system should be adopted; but I should prefer to see the finances of each county put on a much stabler and better footing. I think some portion of the revenues produced from the settlers should be returned to them, and I think the construction and maintenance of these roads would be rather better done under the supervision of the local bodies than under that of the Government, because I am not at all in love with the Government manner of construction. There is an instance in this district where I am quite certain that a private company or private persons would have constructed the road for at least two-thirds perhaps, or even one-half, of the cost at which the Government have done it: therefore I should prefer that all local public works—roads, bridges, and so on—should be constructed by the County Council say, or by the Road Board; but they should receive from the Government a fixed proportion of the revenues produced in the county or district.

47. You mentioned Road Boards. I understand you have got dual control in this county. Do you think that is economical?—I think it is a matter really to be considered by the ratepayers. If they choose to put their hands in their pockets for the purpose of paying for the expense of a Road Board—finding the salary of a Secretary and the expense of an office—I do not think we should forbid them. It is a matter for their own consideration.

48. Do you think it is an economical way of carrying on local government?—No, I do not think it is. At the same time I think it is a right given by law, and I do not see that it hurts anybody.

49. It hurts the County Council with regard to subsidy, does it not?—If a Road Board exists in the county does it not limit the Government subsidy to the County Council?—I am not prepared to say whether it does.

50. The Government subsidy is given upon a general rate of $\frac{3}{4}$ d.—that means that on £10,000 you will get a subsidy of £2,500. But if Road Boards exist in the county your subsidy is cut down to £500: is not that a serious loss?—Yes.

51. *Mr. Matheson.*] You go still further and say your local body should do the whole of the work instead of having the Government working over the same area?—Yes.

52. You said you had no right at present to claim any fixed road subsidy, but you have a right to a subsidy from the Crown?—Yes; I said that we had no right so far as I know to claim a road subsidy. I asked a Minister of the Crown on what basis these grants are made and he could not answer me, and I said, “I suppose it is a case of kissing going by favour.” He answered, “Yes.”

53. Do you feel it would be wise to do away with all grants and make the Government help come in an automatic way by graduated subsidies?—Yes; I think we should come not as suppliants to the Government but as a matter of right.

54. In many cases blocks of settlement lands are rating themselves for the purpose of raising loans under the Local Bodies' Loans Act for roading. Do you think it would be reasonable, where they are making roads for local use, that the Crown should subsidise these rates pound for pound?—I can see no reason why it should not, and I think it is a fair ground to help those who are helping themselves.

55. You think whatever is done in that way should be done automatically by law?—Yes; if £1,000 is raised locally that should carry with it the right to a certain proportion from the Government, and the grant should not be regarded as a mere favour.

56. Going back for a moment to the question of Campbell Island, are not your disabilities there in a large measure balanced by the low rent you pay?—I would rather pay a higher rent and be placed in a similar position to that occupied by those on the mainland—pay a good rent and have a good title.

57. But if that property was on the mainland a very much higher rent would have to be paid?—Yes; and there would be a better tenure and all disabilities would be removed.

58. The tenure would still be the same if it were pastoral lease?—I suppose it would. I suppose if it were on the mainland there would be some method of bringing it under these other land regulations by which you get occupation with the right of purchase, purchase right out, or lease in perpetuity, or perpetual lease.

59. The holder of a pastoral lease has no right to that unless there is some alteration of the law. He has no opportunity to change his tenure at present. If an alteration was made in your lease and your improvements were secured to you, would you be willing your run should again be put up to public competition loaded with your improvements?—Oh yes, I have nothing against that.

60. *Mr. Forbes.*] In connection with Campbell Island and the half-yearly trips of the Government steamer, for what purpose were these trips made?—To visit the various depots, to keep up the supply of provisions, and see if there were any castaways. On her last trip she rescued a great number of castaways on one of the islands.

61. Now that the place is settled it does away to a certain extent with the necessity for the Government steamer going so often to Campbell Island?—I do not know quite that it does, because, even in any case, you have only the possibility of being able to render assistance to people there. There might be so many persons there who were in distress for aught you know. A man may have broken his leg or broken his arm and be in need of medical aid.

62. I mean to say that the reason for the trips being discontinued may be that as the place was settled there would not be as much necessity for calling so often?—I do not think that is the reason, because that is a reason that would apply to Campbell Island only, whereas the fact is that, while they have discontinued the visits to Campbell Island, they have also discontinued visiting the Auckland Islands, the Snares, the Bounty Islands, and the Antipodes. They have discontinued the whole round and thrown them all out.

ADAM GILMOUR KNOX examined.

63. *The Chairman.*] You hold land I suppose?—Yes. I am here to represent my wife and myself; we are both holders.

64. Where is the land situated?—Matawhero, on the Willows Estate. I hold 30 acres myself, and my wife holds 20 acres, both under lease in perpetuity.

65. You have some matter to bring before us?—Yes; I want the freehold if I can get it. I am in favour of the freehold. I am not dissatisfied in any way with the amount I have.

66. Is not a 999-years lease long enough?—It is quite long enough; but I would like to make the holding a freehold if I can. I would like to have the right to leave a bit of freehold behind me if I can.

67. *Mr. Matheson.*] When you took it up you knew it was a lease?—Certainly.

68. Have you since found it was not so good as you thought it?—We have had a boom during the last four years in the Poverty Bay district, but I have seen the time when it was different with the freehold, and in my neighbourhood the bank could not get £22 an acre for it. No one would touch it.

69. This land of yours was bought with money borrowed outside of New Zealand?—Yes.

70. You see no harm in the tenants getting the freehold if they repay that debt?—No.

71. Supposing the right of purchase is refused and bad times come, do you think these tenants would be able to pay their rent?—It would take them all their time,

72. And the Crown take the risk of not being able to collect the rent?—Yes.

73. If there is a possibility of that occurring then the Government would secure themselves against loss by allowing you to purchase the freehold?—I do not see they would lose anything by it as long as we paid it off. I want the right to pay it off as I can.

74. You are willing to pay an additional percentage on the upset price to secure the Department against loss? Do you think it is reasonable that an additional percentage should be charged?—At present, say, the land is at boom prices, it would not pay me then.

75. I am not asking you whether you are willing to pay present values; say an additional 5 per cent. on the original upset price?—Yes.

76. Are your dealings with the Land Board satisfactory?—Yes.

77. Have you had any dealings with the Advances to Settlers?—Yes.

78. Have they been satisfactory?—Yes.

79. *Mr. Forbes.*] There is a certain amount of regulations in connection with these settlement holdings. If the land was made freehold it would do away with all these regulations, and a man might be able to buy his neighbour out?—I believe in one being restricted to holding not more than a certain amount. I do not want to see the leases go back to one man again.

80. Under the present law, you know that 640 acres of first-class land may be held by one man: that would pretty well mop up the whole of the leases in your district?—Pretty well. But you know that 30 acres is not enough for a man to live and rear a family on. We are compelled to build there and make improvements. I have made improvements on my 30 acres, but it is not enough for a man to stop there and rear a family there.

81. Is not that the fault of the land being cut up so small?—Yes.

82. When these leases were cut up there was a demand, I suppose, for that size of holding?—The demand was there, and we were glad to get the land.

83. Did they think that would be suitable for working-men?—I would say they cut it up rather too small, but big enough for the settlers who took it. With the capital I had it was big enough for me, but as a man gets on in life, he would like to leave something in the nature of a freehold behind him.

84. Would it not be better, instead of trying to pay off the Crown, if you wanted to give your son a start, to have the leasehold yourself, and you would then have the capital to do it; whereas, if you are paying off the purchase-money, it would keep you busy for years, and perhaps leave nothing to spare?—Yes, but still this is something to look forward to.

85. Do you think it would not better the position of your son to put him on a larger piece of ground than to put him on a small piece?—Supposing I passed out, I must leave the land behind.

86. You think if the right of purchase were given there would be a chance of the holding being bigger?—No, I want it no bigger than the holding I have got; I do not want to add to it. The only thing is that it is very nice to have a bit of freehold.

87. You would feel better pleased?—Yes.

88. Were you satisfied when you took it up?—I had to be satisfied and I took it. Last session they were talking of a Fair Rent Bill by valuation. I do not think our holdings would stand it.

89. Do you think that would be honourable or fair?—No, I do not.

90. *Mr. McCutchan.*] Have you had any trouble with the residence conditions?—No.

91. Does your wife's section adjoin your own?—Yes.

92. And residence on your section counts for residence on hers for that reason?—Yes.

93. But if the two holdings were not adjoining, would you have had any trouble for non-residence?—Yes. I reckon when a man does not hold over 100 acres, that should be relaxed.

94. You would leave discretion with the Land Board to relax the residence conditions?—Yes.

95. *The Chairman.*] Assuming the right was given to people holding lease in perpetuity all over the colony, and that the right was exercised entailing the freehold, do you not know that when a period of depression came the improvements on these farms would be mortgaged?—No, I do not.

96. If it would lead to the mortgaging of the farm if the freehold was acquired, the tenants would be in a worse position surely by paying interest and being at the mercy of a lending institution than in paying their present low rate of interest to the Government?—Still, there is no man with good security but can get money at 5 per cent.

DAVID SHAW examined.

97. *The Chairman.*] Are you a landholder?—Yes.

98. To what extent?—One thousand acres.

99. What is the tenure?—It is freehold in the Nuhaka North Survey District. I represent the Nuhaka Branch of the Farmers' Union.

100. You are authorised to speak for them?—Yes, at the last meeting they held I was appointed to appear before the Commission. A great number of the people there have places under the 999-years lease, and they wish to be allowed to convert it into freehold. We have no settlement there under the Land for Settlements Act; it is all bush and fern country, and they think they should have the right by buying it out to make a freehold of it. It has been a great struggle for the early settlers to make homes there. There were no roads when they went in there first, and they think after all their hard work they should be allowed to make it into freehold. In fact, most of them took it up with the right of purchase, but most of them altered to lease in perpetuity.

101. It was taken up as perpetual lease with the right of purchase, and most of them converted it into lease in perpetuity?—Yes, and they now find they have made a mistake, and are anxious they should get back the right of purchase. Some of them have grazing-runs, and they would like to have a freehold of them.

102. Do you not think it is too much to expect?—Properly speaking, I do not think they should have any right to the grazing-runs, the land being so good and no rates to speak of. But I think those who took up the land originally in the Nuhaka Block have the right to get the freehold on paying up the money.

103. *Mr. Matheson.*] Do you think there should be revaluations of improvements?—Yes, after twenty-one years.

104. Referring to ordinary bush land, do you think it would be a good thing for the tenants if they had the right of purchase?—Yes.

105. And good for the colony?—Yes.

106. How?—They tax them just as much.

107. Do you think they would be more contented on their land?—Yes, they have had to struggle very hard at first.

108. Do you think the city dweller would really be more benefited if the settler had the right of purchase?—Yes, if the city man was there he would know it too.

109. The Chairman suggested to the last witness that if the freehold were given and bad times came, these freeholds would be heavily mortgaged. Would not that apply to the leaseholder?—I am not speaking of the land for settlements. It is quite right that land which has been cut up like that should be kept in the hands of the Government.

110. The land-for-settlements land was bought with British capital, not New Zealand money. It was purchased in order to settle the land. People have settled on it, and what possible harm can come to New-Zealanders if these tenants are allowed to repay the British capitalist?—I do not think there would be any harm as long as they paid interest and gave the Government a little for their trouble and expense.

111. If they did that would it not be equally as good for the country?—Yes, but we are not interested and I am not authorised to speak on that.

112. *Mr. Forbes.*] Do you think that it would be reasonable, seeing that these settlers had the option and knew what they were doing, and took up lease in perpetuity—do you think it a reasonable thing that they should ask the colony to chop and change about?—As long as they paid all expenses what is the difference.

113. How are they worse off under the lease in perpetuity?—They think so; every Britisher likes to say "This is my own."

114. A man has the right to sell out if he dislikes the tenure?—What sale can you get. The man simply wants the freehold.

115. That may be in this part of the country. There are different conditions in other parts. A lease in perpetuity in the South Island can be sold very readily at a high rate, just as high a rate as the freehold?—You would not do that thirty years ago.

116. You say here that they will not look at it?—That is the feeling of the people. Every week there are people coming to us, but they shy off the lease in perpetuity. There is a difficulty in financing.

117. The lender will not advance money?—Yes, I know several in our district who wanted to borrow a little more, and when they took steps to see if it could be financed, the lenders shy off.

118. Do you not think the conditions imposed on these holdings are necessary for the settlement of the country?—My own idea is this, that the right of purchase is the best law ever introduced into New Zealand, and I do not think you could have a better.

119. Is not the great object to get people settled on the land and not have absentees or men living off the land?—There is not much absenteeism nowadays; it does not do.

120. Under the lease in perpetuity you insure that it does not occur?—That is to a certain extent, but if people are willing to pay for it, why should they not have a freehold.

121. Would you give that same right to tenants in respect of any class of land?—I have got my own opinion, but I have no authority to speak as to that.

122. You say the tenant has the feeling that he wants the freehold, and you can never make a satisfied colonist of him until he gets that right. If he is settled on private land he is still on the land?—I do not know, I do not see why if he is willing to buy it out he should not have it.

123. Do you think that a man will be satisfied with a restricted freehold?—I think so.

124. *Mr. McCutchan.*] You say there is a difficulty in financing on these lease-in-perpetuity leases?—I do not know, but men have told me so.

125. Surely they can finance these loans with the Advances to Settlers Department?—To a certain extent, but it is only some small amount they allow.

126. They are advancing 50 per cent. on the goodwill now: do you not think that is a fair advance?—Yes; but what difference does it make if people want to purchase the freehold.

127. Are the settlers in the district you represent satisfied with the working of the Land Board?—Yes.

128. And satisfied with the present system of appointing its members?—I think so; we have not had any trouble in that way.

129. Are the roads satisfactory?—The roads are the great trouble. Settlement is advancing so rapidly in some of the back settlements that it is impossible to keep up with the demands. It is different in the south.

130. Do you think the roads should be made before the settlers are put on the land?—I think so.

131. Do you think the land would then sell at an enhanced price?—Yes. I had to cut my tracks before I could get my grass-seed in. I had not a quarter of an acre of cleared ground on my section, and have not an acre of flat country.

132. Are you in the Cook County?—No, in the Wairoa County.

133. Are there any roads in that county?—No.

GEORGE RUSSELL JOBLIN, Nuhaka, examined.

134. *The Chairman.*] Do you hold any land?—My sons do.

135. On what tenure?—Lease in perpetuity.

136. You wish to put a statement in?—Yes. My statement is as follows: I am here to express my opinions on a subject which is of interest to every settler of the colony—that is, on our land laws and their administration. It appears to me that the main subjects demanding attention have a three-fold aspect which comprehends that of the past, that of the present, and that which is to be, of the future. The subject is one that has received my unflinching and careful attention for a period of nearly half a century. After reaching the colony I soon arrived at the conclusion that its future prosperity must hinge upon the effective initiation and administration of a system of land laws that should possess as its pre-eminent characteristics liberality and stability, incorporating progressive powers in their nature. “The laws of the Medes and Persians” are inapplicable here, being inconsistent with vitality, and denoting stagnation and degeneracy—evils from which our laws must be exempt. The system of land legislation with which I first made acquaintance was known as “the Canterbury land laws.” They were largely and widely, but not wisely, eulogized. One effect of their action was to establish a uniform price of £2 per acre for the land of the province, without reference to the locality, accessibility, or quality of the land. Thus, for land of A1 quality and easy accessibility capable of producing from 70 to 80 bushels of wheat per acre, the price was £2 per acre, cash down. For land badly located, land of inferior quality and often difficult of access, capable of producing 7 or 8 bushels per acre, the terms of acquisition were precisely the same as those appertaining to the acquisition of the land of A1 quality. Under no conditions was any modification admissible. The terms were inexorable. The effects of this system were as might have been foreseen, prejudicial to the best interests of the colony, as their tendency was to increase the riches of the rich and the poverty of the poor. The course adopted was this: men having money or the means of obtaining it went in for large blocks of the best land. They or their agents would select in a given district all the land of the A1 class, and that which was inferior was left, and was all that was available for selection by the *bonâ fide* working-settler, and the access to these inferior lands was often designedly made as difficult as possible by the selectors of the A1 blocks purposely to deter the working-settler from reaching them. This state of things was exactly the reverse of that which was necessary to secure and advance the prosperity of the province. It was akin in its nature to an enactment which would constrain the working-settler to pay for his pint of beer a sum equal to that paid by the rich man for his bottle of champagne; or, if this illustration just at this period possesses a flavour unduly alcoholic, substitute one that is bucolic, and I say it is akin to that of the poor man being constrained by legal enactment to pay for the skim-milk he may buy for his children a sum equal in amount per pint to that paid by the rich man per pint for the cream abstracted from the said skim-milk. So far as the land was concerned, the A1 blocks remained unimproved for a period till the worker concluded that as life was short he had better buy from the good and acces

sible blocks than from those that were inferior and often practically inaccessible. To accomplish this he commonly paid about five times the amount paid by the original purchaser; half the purchase-money would be paid in cash, and a mortgage would be given over the area purchased as security for the unpaid balance, for which, as a rule, a high rate of interest had to be paid. In palliation of this state of things, it may be urged that would-be settlers should have tried other parts of the colony rather than submit to such extortions. But this is more easily said than done. At any time travelling in a mountainous and semi-civilised country is a costly procedure, but at the period to which I refer such a recourse was prohibitive to the class of settlers in question, though available to the rich and adopted by many of them in their ceaseless and insatiable land-grabbing operations. This brief recapitulation of some of the features and effects of the land legislation of the past should enable us to appreciate more vividly the progress made in this department of colonial jurisprudence, and the distinctive and beneficial nature of the changes subsequently introduced. I now reach the second aspect of the question, which relates to the existing state of our land legislation, and I am pleased to be able to say that I contemplate the same with measureless gratification, and shall leave the world with comparative satisfaction, in that my life has been extended to a length that enables me to be a witness thereof. And to John McKenzie was accorded the high honour of inaugurating this gladdening period by the introduction of those unique and beneficent measures the Land for Settlements Bill and the Advances to Settlers Bill. These measures by their culminating and patriotic results have, in my opinion, surpassed those of all others. In this estimate I do not overlook the Penny Postage, the Education, the Women's Enfranchisement, and the Old-men's Pension Acts. All of these are distinguished by transcendent characteristics, and reflect credit upon the legislators who placed them in the statute-book of our colony. But the Land for Settlements and Advances to Settlers Acts seem to be pre-eminent, and are in an emphatic manner associated with John McKenzie's name, and for prompt and widespread effectiveness they constitute a record of records. All the Acts enumerated confer high distinction upon the Government responsible for their existence, and the influence of these measures not only enhances the exaltation of this colony but also permeates victoriously every other region of the Empire. Under these auspicious circumstances I regret to be under the necessity of finding fault or making any complaint, but I must do so. The administration of the Advances to Settlers Act is of a most unsatisfactory character. I know from personal experience acquired from and among my neighbours that great and long-continued causes for complaint exist, and I think that a searching investigation should be made to ascertain the reasons for their existence. No grounds of justification should be permitted to mar the efficiency of so valuable a measure. I could adduce instances in which advances were made from 20 to 30 per cent. greater than the Advances Office would furnish. This was done in three days, while the Advances Offices took nearly three months in which to reach a decision. Further, there is an absence of consistency in its operations, and, basing my judgment upon facts, I can only arrive at the conclusion that some influential person or persons are reluctant to see the manifold operations of the Act flushed with success. Tennyson voices the aspiration—

Oh, for the time
When wealth no more shall rest in mounded heaps;
But, smit with fiercer light, shall slowly melt
In many streams to fatten lower lands,
And light shall spread and man be liker man.

And John McKenzie inaugurates the prophetic aspiration. All hail, John! you have gone to your rest, leaving the world better than you found it, and in the odour of gratitude that emanates from the heart of the people. Thus you have not lived in vain. Well done!

137. You have gone into the matter fully?—Yes, it is my own experience.

138. *Mr. Matheson.*] Do you think the lease in perpetuity could be still further improved by the Crown granting the freehold?—It would be just possible.

139. Do you think it would be a good thing if all the land of the colony were acquired by the Crown, and we were all made tenants of the Crown?—That is taking such a wide view of the matter that I would not like to say offhand. I have not tried to get any advances from the Advances to Settlers Office myself, but I have known persons who have tried and have not got anything.

THOMAS TODD examined.

140. *The Chairman.*] Do you hold land?—Yes, a small grazing-run at Waingaromia. I have no fault to find with my tenure, but I think friction could be removed in two or three ways, and our conditions could be made much easier without any loss to the Government. We have had from the first a freedom from rates, and this was considered quite right at the start, but, unfortunately, it has been the cause of a lot of friction. Neither the County Council nor the Road Board can give us any assistance, and we have to keep our roads up ourselves. Most of us would rather have power to rate ourselves in order that our roads could be kept in order. At present we have to go round with the hat for the purpose, and this is found to work very unsatisfactorily, because where some of the settlers will subscribe £6, £7, or £8, others will not give so much. If one man stands out and says "I will give £5," another will say "I will only give £3," so what was considered to be a privilege has worked very badly, and the grazing-run holders are willing to give up this privilege of immunity from rates. Another point is this: My lease runs out in ten years, and I cannot tell what may happen with regard to my second term. The Advances to Settlers Department sent me a notification that my lease runs out in 1912, and that within twelve months I would be required to pay off every penny I owed them unless I arranged satisfactorily for a second term. These are points not so big as that of the freehold *versus* leasehold, but they are important to us. Let us know what the second term of our lease will be put at, and I for one would not ask for the freehold. I would be content to give up the one privilege for the other. In these matters of administration we sometimes find ourselves face to face with the problem of either knuckling

down to what is wrong, or fighting with the Department. In another case a neighbour of mine who has made improvements worth £20,000 got a notice that if he did not pay his rent, amounting to £15, he would forfeit his lease. He was threatened for that small amount, and we do not like such threats. It is such cases that have caused a good deal of friction and agitation, and I think the Commission has a good chance of removing them.

141. Are you satisfied with the action of the Land Board?—Yes, they have treated me well, and so has the Government.

142. But you want rating-powers?—I would like the present privileges of immunity from rates taken from us, as it is hopeless for us to raise money.

143. Are you satisfied with your tenure?—I should like to know six or seven years before the end of my lease whether we should be able to apply to the Land Board for another lease. It would be to the country's interest if we had some idea given to us of what the second lease was to be.

144. *Mr. Matheson.*] Is yours the title which escapes the Local Bodies Act?—That little addition was put in the Swamps Act.

145. Was not an Act brought in afterwards to remove it?—Yes, but it was dropped.

146. Supposing it was brought in again, would you not anticipate the same opposition to it?—If we could get the same terms of lease I would not object.

147. Have you the right of renewal?—I have the option for the first renewal, and for another lease after that.

148. And if you decline to accept another lease are your improvements secured to you?—I do not get the value of them from the Government until they get it from the other man. The improvements we effect are very much more valuable than the land, and I want to know six or seven years before the end of the lease what the next rent is to be.

149. Do you not see very great difficulty in fixing the rent years in advance of the termination of the lease?—When we first went up the land was only worth 5s. an acre, while it is now worth £1 10s. The Government could say, "You must pay us £2 an acre, and if not, you must wait until the end of your lease."

150. Do you think that if you had the knowledge of what the future rent would be you would be encouraged to put more work into the place?—Yes. I have considerable confidence in the faith of the Government, and if times were to be hard I would go on to the end of my lease.

150a. But supposing you agreed to pay a rent of £2 now, and bad times came, you would find yourself paying a higher rent than if you had waited until the end of your lease?—The certainty of what you are going to do is always worth money. The question of the future rent should be gone into and the tenant have a chance in the fixing of the rents of the second lease.

151. Would eight years satisfy you?—In clearing bush land I would say five years, but after the bush is cleared three years would be quite enough, or even two years. Three years would do for anything but the heaviest bush clearing.

152. *Mr. Forbes.*] Your wish is not because you think your rate might be made too high, but because you want to know what it will be now?—I wish to know whether it will pay me to go on clearing the bush.

153. Have you had any experience of any of these leases being renewed?—None have run out in this district. The only case was where a grazing-run holder wished to transfer to a lease in perpetuity, and he was told that before he could take advantage of the Act he would have to surrender his present grazing-run and take his chance. I have a lease of 2,000 acres with the right to surrender, and I would like that altered so that I could see what I was laying it down for.

154. When you surrender it is open then again to the public. How did you get your grazing-lease—by auction?—Yes.

155. If you surrendered would it not go to auction again?—I do not know. I understood that a grazing-run holder had the chance of surrendering from one to the other.

156. Of course it would be revalued?—Yes, I am quite willing to pay the present value of the land.

157. What rent do you pay for this place?—1½d. per acre.

158. What is the area of it?—Fourteen hundred acres—£8 15s. If it were freehold I should have to pay more in rates and taxes.

159. You wish people to have the power of rating for the purpose of making roads?—Yes.

160. Were there any roads constructed when you took it over?—The nearest road was 12½ miles away. I had four miles of road to make.

161. Have you continued to keep this road in repair?—For five or six years we had occasional grants from the Road Board, but during the last three years we got nothing. The Road Board struck no rate themselves—all their funds come from the Government subsidy, and they gave us a share of them. I had 1,000 acres and it cost me about £1,000 for repairing my own road.

162. *Mr. McCutchan.*] Are you in a Road Board area?—I am in the Tolago Riding. The road leading to my place is under the Waimata Riding.

163. With reference to grazing-runs the object was twofold?—These grazing-runs were thrown open because they could not get them taken up in any other way.

164. You desire to know the terms of your second lease seven or eight years before your first lease expires?—I want to sacrifice one privilege in order to get another.

165. What is the carrying-capacity of your land?—The full carrying-capacity is two thousand five hundred sheep.

166. Do you think it is desirable to have these areas around Gisborne cut up for closer settlement?—You could not cut up some of the land because it is so steep. If I wish to go about the place I have to cut tracks to do so. It is very steep.

167. If an area of land is capable of carrying three thousand sheep, and the Government put in roads that you never expected, it is only reasonable to suppose that the Government will one day want

your area, and will cut it into three blocks?—In that case I have no power to object, and will have to stand back and see them do it; but I do not think my land is suitable at the present time.

168. Do you not think it a little unreasonable to ask for the terms of your lease seven years before your lease expired?—No; it would be a benefit to the country.

169. With reference to the Department, you said you laboured under a difficulty in connection with the working of the Department?—I said we did not like to receive threatening letters, and that we were not sure of getting a second lease for our grazing-runs.

170. Do you think there is a chance of the Advances to Settlers Department allowing an unpaid portion of a loan to stand against the improvements on the land?—There was no provision made for that in the mortgage.

171. There is no difficulty in the way beyond an alteration of the law?—I think it would be a good alteration.

172. With reference to forming these grazing-runs into rating-areas for the purpose of making roads, we had it brought under our notice that the Department would not take grazing-runs as security for loans raised for making roads?—The difficulty is that you cannot rate yourself for more than £1 a year, and on my holding it would only amount to £2. That is the basis on which loans to local bodies are negotiated. That is all the security we have at present—£2 a year.

173. If several grazing-run holders desire to mortgage their areas for the purpose of placing loans their security is ample?—The improvements are there if the Government can hold them.

174. That is under the present law, but suppose there were an alteration?—We could then approach the Department easier.

175. *Mr. Matheson.*] Suppose your grazing-runs were made rateable the same as other properties, would not other tenants claim that the Government were breaking their agreement?—Yes; unless we got something for it.

176. There may be a large proportion of small-grazing-run holders who do not want the concession and who would have to come in with you?—I am only speaking for myself.

177. Does it appear on your lease that you are free from rates?—No; I think it was the then standing law; but it is not a thing we should fight if the law were amended.

178. Do you think it would be an equitable thing that you should be rated in proportion to other property surrounding you, apart altogether from your present position?—It would not be fair, but for this other fact that times have gone so well with us that we can stand it.

179. Do you think other people should be brought into line at the end of the present term?—I think that would be a very good time to bring in the change.

180. Do not the conditions under the grazing-runs justify the tenants in making the improvements?—In the present state of the market they do.

181. Do you think if the tenure were made more liberal it would have a tendency to cause the tenants to make more improvements?—The only justification for making improvements is to have a substantial security for the next lease.

182. You think the tenants should be quite willing to pay a higher rent?—Yes, with the better security.

183. *Mr. Forbes.*] You pay a County Council rate?—I pay a rate on £146. I pay no land-tax, and the local body rates are nothing.

184. All your neighbours pay county rates?—Yes. The Road Board manages to exist on the subsidy from the Government.

185. Do you think that a wise way of working—to have a little petty Road Board spoon-fed from the Government?—I do not think so, but it avoids friction.

186. *Mr. McCutchan.*] Does not the Road Board levy its own rate and get 10s. in the pound subsidy—the County Council only gets 5s. subsidy?—I have never been in the Road Board district. I am in the Tolago Riding.

187. The Road Board being in existence its total subsidy cannot exceed £500?—I cannot say.

188. You must get more than your proportion out of it?—They look after that.

PHILIP THORNTON KENWAY examined.

189. *The Chairman.*] Do you hold land?—I hold a share, with my brothers, in 5,000 acres.

190. Where situate?—In the Waimata district, and I am managing director of a sheep-farming company which holds 16,000 acres. Our private land is mostly freehold, but there is a small grazing-run of about 2,000 acres.

191. I suppose you have some remarks to make?—I have to speak of grazing-runs from the point of view of the freeholder and the small-grazing-run holder. In our grazing-run we would be quite ready to be rated so as to pay for our share of the roads, and we would naturally want something for that, either the right of acquiring the freehold or possibly the advantage that Mr. Todd suggested. Our grazing-run and Mr. Todd's form a block of mostly rich land. It is a very big block of unrateable land. We contribute practically nothing to the county rate, and it is exceedingly awkward in making arrangements for special roads. I am in a district in one part of which they are just proposing to make a bridge. Part of the special district they propose to rate themselves in for this consists of grazing-runs. At the same time they would have to pay on so exceedingly small a value that they would escape from paying rates almost entirely. I believe the grazing-run holders have no special desire to escape, but there is no way out of it, and it is obviously unfair to the freeholders. I think that is the main point I wish to bring out.

192. *Mr. Matheson.*] Do you think giving the right of purchase to the small-grazing-run holders would do justice to the neighbouring freeholders, and if given at the present valuation would the Crown be helping the freeholders of the district?—Some of the holders would not take it.

193. If the option were given it would help the local revenue on account of those who did take it up?—Decidedly.

194. *Mr. Forbes.*] Could the grazing-runs in time be broken in for closer settlement?—I do not think so in this district. The land is exceedingly broken and there is hardly a place to put a yard on.

195. Is it not the case that most of the flatter land around here has been settled with the right of purchase?—I fancy so.

196. These small grazing-runs apply only to the rough ground?—Yes.

197. You would want a better tenure for rough land?—You would.

198. Is it bush land that you have?—Yes, all this block.

199. Have you got it grassed?—Our grazing-run is partly grassed. We are felling it now.

200. What rental do you pay?—I think it is 3d. per acre.

201. *Mr. McCutchan.*] With reference to the alteration in rating: the calculation for rating purposes is 6 per cent. is it not?—I am not very well up in it. I could not tell you anything except that it amounts to practically nothing.

202. You advocate that a rate should be raised to the same value as that of the surrounding freeholders?—If we get a *quid pro quo*.

203. You get a *quid pro quo* in the shape of the rates?—From the County Council. We are not getting it from the Government.

204. You are getting certain advantages in rates which you are not paying: why ask for a *quid pro quo*?—In taking up that land we have the exemption, and it is not good business to give up a thing like that unless you get something back from it.

205. It does not give you any claim in equity if you are enjoying certain advantages from the rates?—That might be the view the Government might take. I do not know that I should be prepared to fight it very hard.

GEORGE EDWARD DARTON examined.

206. *The Chairman.*] Do you hold land?—No, I am a land agent here in Gisborne.

207. You do not hold any land?—Only a small residential site.

208. Have you something to bring forward?—Yes, on behalf of the Crown tenants. I might say that I was in the Government Land Office for sixteen years. I was Receiver of Land Revenue here for six years, so that the tenants know me, and several of them have asked me to bring some matters before the Commission on their behalf. The first point is that they want a rebate on their rent. They did not get any rebate of rent in this district under the Land for Settlements Act, but settlers in the adjoining land district do. I mean a rebate for prompt payment of rent. The rent is due on the 1st January, and when paid before the 31st January in other districts they get a rebate—in Auckland and other places. In the Hawke's Bay District they do not, and they contend that the practice should be made universal, and if they pay their rent punctually they should get a rebate. They do not want the power placed in the Commissioners hands to say whether it should be paid or not. That is the main point I have to bring forward on behalf of part of the settlers. Many of the settlers say that they are paying a large rental—say 8s. an acre—and they would like some power to have it reduced and to make it, say, nominal. Another point is in reference to fencing. The Fencing Act is not far-reaching enough. On a straight line pieces are left when laying off, and they cannot always fence all the boundary and they want a clear title to the pieces cut off. Supposing a piece is cut off the Crown fence, the leaseholder does not want it taken into his lease, but wants the freehold of it, and more easy facilities for getting it. Several tenants say they ought to have also a voice on the Land Board, that they are parties to proceedings on the Board, and they should have at least one person to decide for them. The Land Board works splendidly in this district, but, as a rule, they do not know who is going to get on it. The settlers are a party to the agreement and think they should have a say in the election of one man. They are complaining greatly in this district—especially in the bush settlements—as to the expenditure of money under the Government Loans to Local Bodies Act. A block is opened, and burdened with, say, 5s. an acre under this Act. If they buy for cash they pay this money cash down, and if their land is taken on lease they pay interest on the amount. They do not know where that money is spent, as they do not get any returns. The particular case in connection with this is the Motu Settlement, and if this money is being spent by the Department they feel that they would like to be furnished with returns as to how the money has been raised on their block, and the road on which it has been spent, and the amount.

209. Is it the lessees of Crown lands that complain that they get no rebate—that is, those who pay 4 per cent.?—Yes, 4 or 5 per cent.

210. You say that some of the tenants would like to pay off part of the capital so as to reduce their rent?—Exactly.

211. And when they have paid off a part they wish the restrictions to be removed as regards farming their land?—No, only for the purpose of reducing their rent. If they have a little money on hand they feel that they would like to pay off in order that they might reduce their rent.

212. As soon as they put themselves in that position would they not have the right to expect that all farming restrictions should be removed?—No; the lease remains exactly the same if only a penny remains unpaid, and the conditions would have to be fulfilled, except as to the payment of rent.

213. *Mr. Matheson.*] You approve of tenants completing their payments?—Yes, leaving a little nominally for local purposes, and also keeping their land on lease.

214. What is your objection to making the holding into a freehold—do you think they should abide by the law whether it is right or otherwise?—Yes.

215. Do you not think we should give them the option?—If it injured the State it would be unwise to do so.

216. Have you any objection to parting with the freehold?—Yes. My first objection is this: If you grant a freehold the Board or Government have then no say whatever in any further dealings with it. Therefore, if you once grant the freehold that piece of land could go to a man owning any other area of land. That refers to the disposition of the land. Now, regarding the working of it, the Land Board have no say as to the way in which the land shall be worked, and a large piece of land might have only one man employed on it—perhaps the shepherd only.

217. Do you not think the average farmer knows better how to deal with his land than the Land Board does?—Certainly not, otherwise the Land Boards would not have been forced to put these restrictions on.

218. These lands were taken up for the purpose of closer settlement, and the system has been successful. The tenants are asking for the right of purchase, and the objection to that is that it might lead to the aggregation of estates. Do you not think that there would be a legal remedy against that?—That would get over one objection.

219. Your second objection is that if they had the freehold they could work the farm as they liked?—Yes; if they had the freehold they would not be compelled to reside on it.

220. Do you think it would be a benefit to the colony if the whole of the farmers had to farm according to the dictation of the Land Board?—If the Government own the land they have a perfect right to say whether that land shall be worked so that everything may be taken out of it so as to run it to death.

221. It is the interest of the colony to see that the land is made productive?—Certainly. Unless the Land Board imposed restrictions as to cropping and the cutting of hedges, many farmers would do as they like, and the consequence would be that the land would be deteriorated.

222. Do you think it would be a good thing if the Government were to acquire more of these estates and dealt with them, and that more people became leaseholders of the colony?—Yes.

223. And that we all became tenants of the Crown?—Yes.

224. *Mr. McCutchan.*] Were you Receiver of Land Revenue when the Rebate of Rent Bill was passed?—Yes.

225. What was the object of the Bill?—I think its object was simply to give a discount.

226. Why is it that no rebate has been given in this district?—I cannot give any explanation.

227. Were the rents paid promptly?—Certainly.

228. The Rebate of Rent Bill was for the purpose of encouraging prompt payment?—Yes. If they pay promptly they do not get it, and yet the people get it in other places.

229. The Act provides that the Land Board shall have discretionary powers to grant the rebate?—Then why should not the tenant get it here?

230. That is just the question: why should they not get it here?—I know of no reason.

231. Do you think it is a wise measure to place on the statute-book?—I have my own opinion. Personally, I do not think it was wise.

232. Would you consider it is a moral interference with the contract between the Crown and the tenant—giving him the rebate?—It is an interference the tenant would like.

233. That is not the point. There are plenty of people who hold the opinion that the contract made with the Crown is broken if the tenant has taken the rebate?—But that point is not raised against this rent.

234. Under the Act of 1892, certain rules were framed for the purpose of settlement, and certain conditions were laid down as a basis of contract; in order that these conditions should be varied, a special Act had to be brought in which was called the Rebate of Rent Bill: do you consider that was a violation of the contracts formerly made?—No, I cannot see how it could possibly be construed in that way. If I lease a place to a man who has got to pay me 10s. a week, and he comes and pays me promptly and I give him something off for paying promptly, that is discount. That is what the Rebate of Rent Bill is.

235. If the Rebate of Rent Bill provides for giving a discount, would it not follow that the discount should be the same all over the colony?—It ought to be.

236. Do you think the Crown tenants here are treated unfairly in not getting the rebate?—As compared with other places, certainly. It is unfair that men settled in one part of the country should get a rebate and men in another part should not get it.

237. With reference to the evidence and your advocacy of a freehold being given for these rough corners on boundary-lines, I suppose that that depends on the idea that the freehold tenure is going to prevail in the colony?—Yes. Supposing that a man is holding under occupation with right of purchase, then this occupation-with-right-of-purchase man should be able to include the rough corner in his new lease. But the machinery should be made as easy as possible for it.

238. In the case of these pieces that are cut out, if there is any dispute the Magistrates decides it. There is always an arrangement that some payment should be made with regard to these pieces. Do you advocate the freehold for these pieces?—Yes. Little pieces like that ought to be allowed to be thrown in to be held on the same tenure as the adjoining ground.

239. Is there any disadvantage under present arrangements so far as the working of the country is concerned?—The leasehold is working all right. Freeholders seem to be working under a disadvantage.

240. In connection with these pieces that are cut out?—Where they get no title and cannot get it. I saw the other day 3 acres held under a small grazing-run whilst the adjoining owner was a freeholder, and he wanted to get his yards on it. But he could not get a title, although it was his; he could not insure his buildings or mortgage his buildings, because he had no title to the ground on which these buildings were situated.

241. That is an exceptional case. If the ground is suitable for buildings there is no reason why the boundary should be altered. The only reason why there should be a variation from the survey-line is on account of the roughness of the land. With reference to the loading, can you explain why the Receiver of Land Revenue in wiping off this loan under the Loans to Local Bodies Act pays 7 per cent. ?—It is fixed for the purpose of a sinking fund, so that the amount will be extinguished in a certain time. The tenant is not paying 7 per cent.

242. I am quite aware of that. But why do the Department fix that rate ?—To pay it off more quickly. The tenant pays 5 per cent. ; the Government set apart 7 per cent.

243. Do you think it is right that the tenants should pay 5 per cent. for the whole 999 years ?—I do not.

244. Why should the State call on the tenant to pay interest and sinking fund for the whole term of the lease ?—If a block is loaded under the Government Loans to Local Bodies Act, and a section is taken up under lease in perpetuity, that tenant is not paying on the land for 999 years.

245. He has to pay principal and interest upon it ?—Not for 999 years. When the loan is extinguished the payment is discontinued.

246. You are under a misapprehension. It continues for the whole length of the lease. Do you think that is just ?—No, it is not ; I was wrong there.

247. Do you think it should cease when the loan is paid off ?—Yes, as soon as the sinking fund pays it off, the rent should be reduced by that amount.

248. With reference to the settlers being loaded, who inspects the accounts to see if the land is properly loaded ? Do they not have the right to inspect the accounts on paying a shilling fee ?—I thought it was 2s. 6d.

249. Would you advocate a statement of accounts in connection with this roading ? Do they not keep that in the Land Offices throughout the colony so that the tenants by paying a small fee may have the right to inspect these accounts ?—Yes, I think also the proposals for “ thirds ” should be submitted to the Land Board, so that tenants should have the right to say whether the money should be spent in a road ten miles from the block, which is very often what is done. It should be done the same as with the “ thirds.”

250. *Mr. Matheson.*] You said freeholders are working under a disability : in what way ?—As against the leaseholder. He gets his land by paying interest at 4 per cent. One hundred acres at £1 per acre costs him only £4 per year, whereas if he holds a freehold, he is paying more.

251. You mean to say if he wants to raise a mortgage ?—No, he is either standing out of it or else he is paying 5 per cent.

252. Do you not think that the man investing in land often has to pay more than 5 per cent. ?—Yes, but this leaseholder has only to pay 4 per cent. The freeholder has to pay more than 4 per cent., and that is the disadvantage.

253. If people are willing to pay for that disadvantage, you still object to it ?—Certainly, because the agitation is not by the settler, but by the man who provides the money at this high rate of interest.

254. What agitation ?—The agitation set up by the money-lender.

255. Are you aware of the Land for Settlements Bill in Ireland ?—No. But I think our land-for-settlements plan is excellent, except in one modification in the direction of repayments. Say they were allowed to reduce the capital value of the land, and that all money received from the acquirement of perpetual leases and occupation with right of purchase—the whole of that interest—instead of being paid to the Consolidated Fund should be paid to the Land Fund, it could be utilised for the purchasing of more estates for the people.

256. Do you think that the granting of a lease to one man for one thousand years at a fixed rental is good business ?—Certainly.

257. On behalf of the Crown ?—Certainly.

258. *The Chairman.*] As regards the rebate, is any reason assigned for not granting it in this district ?—I know of none.

259. Do you think it is because the land here is good and the settlers are fortunate in getting hold of it ?—I suppose it is, but I do not know.

260. Or do you think it is because the tenants in this district are more conscientious, and would like to pay in full ?—Certainly not. They have applied for it often, but no rebate has been given in this district.

JULIUS PULST examined.

261. *The Chairman.*] Do you hold land ?—Yes, in the Rakauroa district.

262. What extent ?—One thousand acres under a lease with the right of purchase.

263. Have you some matter to bring forward ?—Yes, I think the Land Board should have more discretionary power about the residence clauses.

264. Do you think that they should be more elastic ?—Yes ; for instance, my sons are working on the land there, and in a year I will have to live on it. At present I am living with my wife on a section she holds in the Willow Estate, under the lease in perpetuity, and so I shall be forced to live on the place, and still I have spent my money on it. I do not want to leave my wife, and therefore I want to see the Land Board getting more discretionary power, so as to exempt me from the residence clause.

265. *Mr. Matheson.*] You have made two bargains with the Crown : one is for a piece of land held by your wife on the lowest tenure, and one is this occupation with right of purchase ?—Yes.

266. And you find you cannot fulfil the conditions of both of them ?—Yes.

267. You cannot keep to the terms of your agreement with the Crown because it is impossible to live on both of them ?—Yes, because I would have to separate from my wife.

268. You knew your terms before you entered into them ?—Yes. I have gone into the bush district since, and I want to place my sons on the land there. I do not want to give away my right

to my sons, because I have spent my money on it. If I gave it to them and they sold out I might perhaps have to get the old-age pension.

269. What did you intend to do with it when you took it up?—It was intended for my sons, I did not live on it. I want to delay the transfer to my sons as long as possible. They are working on it now. They have improved it and are still improving it; but it would be rather awkward for me to live on it.

270. Do you not think it is reasonable you should transfer to your sons?—Then I lose all control, and they might go and sell it after my money has been spent on it.

271. *Mr. Forbes.*] Can you not take a mortgage over it?—Yes, but still that would be expensive.

272. Do you not think that to give the Land Board more discretionary power about residence would apply to all the lands of the colony, and this is to meet your own particular case? Do you not think it would be far more expensive, having to alter the law to meet your particular case?—I think they might give the Land Board more discretionary power. The section is occupied all the same, and what does it matter to the Government whether I live on it or not.

273. Has not the Land Board got discretionary power now?—I do not know. As regards the lease in perpetuity, my wife would like to buy the freehold.

274. *Mr. Matheson.*] If the Land Board give you exemption from residence until you die, might they not be doing your sons a great injustice?—No.

275. Supposing they worked on the land, say, until your death, and then they found you had left it to somebody else?—That would not be fair. But it is only a matter of a few years until both are of age; the elder one is now of age, and I could only transfer it to one now.

276. Is it your intention to transfer the land when they are both of age?—Certainly.

277. When will that be?—Three years from now.

278. *Mr. McCutchan.*] The land of the Willows Estate is under lease in perpetuity, and this other land which is being worked by your sons is occupation with right of purchase?—Yes.

279. You can do either of two things. You can transfer it to your son now or sublet to him with the approval of the Land Board. When a young fellow is seventeen years of age he can take up land under the Act of 1892?—That would meet my case.

280. *The Chairman.*] You had better write to the Commissioner of Crown Lands and explain your case.

ALEXANDER JEROME CAMERON examined.

281. *The Chairman.*] Do you hold land?—Yes; I hold 1,100 and some odd acres under lease in perpetuity, one hundred miles from here

282. Where is it situated?—In the Matakaoa district, Waiapu County; it is Section 2 of Block XV.

283. You have some matter to bring forward?—Yes; I want to advocate the right of purchase. The reasons are that there is a fear of revaluation and that the holders of such leases find great difficulty in financing. I do not know why it should be difficult to finance the lease in perpetuity. I have not had occasion to raise money on my section, but for my own information I made inquiries. I asked one financial person what sort of security the lease in perpetuity was regarded as. He said, "I will not touch it with a forty-foot pole." I asked, "Why?" He said, "Those are our instructions from headquarters," so I could get nothing further. I went to another and I said, "What do you think of the lease in perpetuity as security for a loan?" "Well," he said, "we do not touch that kind of security, but, of course, perhaps in your case it might be arranged." I said, "This security is worthless," and he replied, "It is not of much account." I asked, "Why?" But he could not explain: "Those are the instructions from headquarters." That is all I know about the worth of the lease in perpetuity as security for money that the settlers sorely need sometimes. That is my objection principally to holding a lease in perpetuity. Of course, I do not know whether the fear of revaluation or inability to raise money is the stronger reason for asking for the right of purchase. Another reason why the settler should have the right-of-purchase holding is this: when he has cleared his bush—I am not speaking of agricultural land, but of a rough bush section, and in our district all the sections are rough bush sections—when the settler has fully improved his holding, and is paying his debts, he naturally expects that there will be profits accruing through the working of his section. The question arises, what is he to do with these profits. He may be a thrifty man or he may not. He may say, "I cannot buy the land; I have plenty of money; I will take a holiday for six months." But if he had the right to buy he might put his profits into his land and secure the profits for himself against the time when he is ill or when, perhaps, misfortune overtakes him; or he may be able to take his money out of the property and start his family in whatever line of life they choose to take. As I have already stated, my section is about a hundred miles from here. I find the holdings too small. By the time I have built a woolshed and yards—it is well fenced, into probably ten paddocks, with substantial wire-fencing and proper posts—I find that the cost per acre is too high on 1,100 acres in such country. I find that the cost of bringing sheep to the Gisborne works is too costly in the case of small flocks. In consequence several settlers have to combine and run their sheep together. The sheep probably arrive in the afternoon or evening, and, having all kinds of marks on them, it is difficult to sort them out in the dark and there is a loss. If the settler had a larger holding he could probably run a larger flock and employ men to bring them down. As a matter of fact I lost twenty wethers, worth £1 per head, in the last lot that I brought down. If there is a section adjoining mine that I could acquire of 1,100 or 1,200 acres say, 50 acres over the area I may hold—I apply to the Land Board and they tell me that it is 50 acres over what I have a right to hold, and they cannot entertain my application. I know that every man on the Land Board would help the settlers if he could in every possible way. I have no axe to grind, and, I believe, it is the same with members who occupy seats on the Board, for in no case have they acted harshly towards the settlers. Any harshness displayed is owing to the interpretation of the law that fetters them, which prevents them from granting settlers what they would like, and it would be

a benefit to the settlers and to the country if more discretion were allowed to the Land Board. In order to gain a section a settler has to descend to some subterfuge or other. He has to get his wife probably to take up a section. Why cannot he go to the Board and say that his section cannot be improved further, without having to do this? By this means he would be able to employ men and give them plenty of work. Why should not the Land Board be allowed to grant him an extra area although it might be a little over the prescribed amount. It is a strange thing indeed that the Crown tenant, who is regarded as the backbone of the country, should have to descend to such subterfuges. It is the settler who takes the wealth out of the land which keeps the towns going, and I believe that if the Land Boards had the power they would remedy a great deal of this. Now, with regard to the residence clause, the Land Board has never troubled me; but I listened to the examination of a witness when it was pointed out to him that if a settler expected a rebate on his rent his agreement with the Crown would be broken. At any rate, the question was asked if it would not be broken, and if it were broken in that way it might be broken in other ways. Now, I say that no man is able to carry out the residence conditions, because they are like the ten commandments, which no man can really keep. I have resided on my place, and have spent a lot of money in travelling backwards and forwards that could be spent to greater advantage in the employment of men and with profit to myself and to the country generally. We settlers will probably never get this chance again of placing these matters before a Commission, which, I believe, is well qualified to hear our troubles and trials, and I am pleased to have this opportunity. With regard to his lease a settler is asked to pay his rent six months in advance. The same settler may get a Government loan, on which I believe the charge is 5 per cent. I have not had a loan myself, but I believe 1 per cent. goes for the sinking fund and 4 per cent. is charged on the money. The settler has to pay his rent six months in advance, as I have said, and on that money the Government demands 5 per cent. per annum, which is a queer thing for settlers to have to submit to. Why should a settler have to pay six months in advance? The Government say they are going to give us cheap money and yet they want this six months' rent in advance. The whole thing savours of Shylock. Now, with regard to the rebate, I have applied for a rebate but I cannot get it; the Board will not grant it. The branch of the Farmers' Union to which I belong applied to the Minister of Agriculture, but his reply was an evasive one. It was to the effect that the Chief Commissioner had to deal with that, and the result was that we got no rebate. I will not pay my rent six months in advance if I cannot get the rebate. I might be made to forfeit my section, but, fortunately, the Land Board is composed of men who temper justice with mercy. I have something to say with regard to the difficulties that settlers have in getting plans from the Land Office, and, I suppose, in all parts of the colony the settlers labour under the same disadvantage. I have an area which was left to me by my brother and I had occasion to go to the Land Office to find out something about the land. I found that the plan I required was an original plan, and the officer to whom I applied for it said, "Well, Mr. Cameron, I cannot let you see that plan." I told him that I was willing to pay a fee but he said "You cannot see the plan by yourself, you must bring a surveyor with you." I told him it was very hard, but I had to go away and get a surveyor. I was shown a rule to this effect in some Crown Lands Guide, or something of that kind, which read: "Original plans and block sheets and record plans are open to surveyors and professional men only, under the supervision of an officer." This again appears to me to be a queer thing. The Land Office is supposed to be established for the benefit of the settlers, and yet the very plan of land we want to see is refused to us at any price when we want the right to examine it.

284. *Mr. Matheson.*] We are told by some of the witnesses that by giving the right of purchase to tenants we should be parting unwisely with the people's heritage?—The land is not the people's heritage, it is the property of the man who can work it.

285. Do you believe the land is an asset belonging to the people of the colony?—Yes.

286. And that the townspeople have an interest in the way it is disposed of?—They have a money interest.

287. Do you think it is in the interest of the townspeople that the freehold should be granted?—I think it is in the interests of everybody.

288. How would the townspeople benefit? Do you think if the freehold were granted the colony would be made more productive or in any way be more contented?—Certainly, they would be more contented.

289. If the country people were contented, would that be a benefit to the townspeople?—Certainly.

290. *Mr. Forbes.*] Is your place away back?—It is within ten miles of the sea.

291. Are there settlers living around it?—Yes.

292. Do the settlers with the residential clause not enforce the same condition on their neighbours?—I do not mean to say for a moment that the land should be neglected. They would certainly object to the land being left idle because they want people there. I made inquiries in the Land Office, and they want a man to reside there four days a week although it may not be his permanent home. I am a married man and would not take my wife to live there, if I forfeited my place in consequence. I think it is very hard that one should be compelled to take his relatives to an out-of-the-way place in order that he may carry out the residence clause. The land should not be put in occupation unless the settler can show the Board that he is able to carry on the improvement. There are plenty of young fellows who take up a section who have to go and work in the bush to earn money with which to make improvements, and many of these might not be able to live on the land for two years. They are making money to spend on this land.

293. Did you get your land by ballot?—Yes.

294. Are there not men looking for land in that position who desire to go and live on it?—You cannot discover what a man's wishes are.

295. But is it not the duty of the Government to cater for men who want to go and live on the land? Is it not a fact that having neighbours is of some value to the people who live out in the back country?—Yes; and in my case I have seven or eight men employed always in bushfelling, fencing, and looking after the sheep. I had a brother who was lost, and his property fell to me, and I had to come here and look after it. The greater part of my time is spent on the road between my two places.

296. After ten years are you not exempt from residence?—I believe there is a time in the case of bush land when one is exempt. I have done my best to live on the land and to comply with the spirit of the Act.

297. You agree that some residential clauses are necessary for settlement in the back country?—Certainly, but there is the case of the last witness. He has a son there, and it is a very wild place. To make that man live there would be a dead loss to him, and it might wind up with the loss of his life.

298. In places of inaccessibility you think the residence clause might be made very much easier?—I think it is a matter the Board should deal with. Most of the members are familiar with this country. Our Commissioner knows the rough life that these men have. I have not known the Board to act harshly, but they have the law to administer, and if a crank got on to the Board and chose to enforce the law, we should be placed in a queer position.

299. *Mr. McCutchan.*] Of course you are aware that the residence conditions are imposed as far as possible to check dummymism, land speculation, and to benefit the settlement, and that the land cannot be worked to the best advantage unless the settlers are resident on it. There are some cases in which the residence conditions might be relaxed, and when the time comes that a settler might want more land. Your case is the reverse: you hold a piece of land and have inherited another piece, and, therefore, do not want the residence conditions?—I mean that I should be allowed to go on the place a stated number of times in the year.

300. But residence is defined as making the place a home, and if you have another place for your home you cannot reside on the two places?—It is a very difficult thing to carry out the residence conditions, and at the same time make a living.

301. But your argument is weakened to this extent, that you have four years' exemption?—Yes.

302. You think that if a man is living on other land, and making it reproductive, that should be termed "residence"?—No, I maintain that the residence clause should be relaxed to the extent that it should be called "residence" if the settler lives on these places a certain number of times a year.

303. Then you open the door for the speculator?—I do not think so.

304. Suppose I were a speculator in Gisborne: if I bought a place twenty miles away I might go there thirty or forty times a year, and yet hold it for speculative purposes?—Well, I say that everything that we do is a speculation, more or less. If you take up a piece of land and fulfil the conditions, why should you not hold that land and give employment to others?—I consider that a man has every right to hold land, providing he goes on to it a certain number of times in the year. He employs men, and feeds and clothes them, and the product of their labour goes to keep the towns going.

305. But the man who does that should be prepared to give way to men who desire to take up land and reside on it?—I know of no other trade than that of agricultural and pastoral farming, and I know of no such cases.

306. Suppose twenty settlers go into a new district, and half of them find it desirable to reside away from their holdings: those who remain want a school, and because the others go away they may not be able to get a school for their children?—No matter how perfect a system may be, you will find something that may be said against it.

307. The Land Board has the widest latitude at present, and it has power to exempt from residence conditions where good cause can be shown. Have you applied for exemption?—I have never applied to the Land Board to be exempt, because I consider I have carried out the residence conditions, but I have felt that it would be very little use applying. It is outside the law for them to grant me anything worth while. I do not know that there is any reason why I should apply.

308. You spoke on the rebate question: the trades and labour people say that on account of the tenants taking this rebate they are not carrying out their agreement with the State in its entirety?—You may say that there are many other conditions which are not carried out in their entirety. There are fifty ways of not doing so. I have to build a house which will cost me £300 at least.

309. Do you advocate an unrestricted area being given?—Say from 3,000 to 4,000 acres.

310. You are aware that the limit is 2,000 acres now, and that a man's wife has a right to take up another 1,000 acres?—A man's wife's proper place is in her home.

311. Do you not believe in women having the right to own property the same as men?—Yes, if they are widows.

312. There is special provision in the law for them?—I do not care to answer this question, because it has not been brought under my special knowledge.

313. You advocate 3,000 acres, and you at present have that right between yourself and your wife?—What about the man who is not married? I am confined to 1,100 acres, although I am entitled to 3,000, and if there is an area of 50 acres I want I cannot get it. If I want to improve my position I am stopped. I am willing to spend more money and to give more employment to others, and why should I be stopped up to 3,000 acres.

314. The point of your argument is that the area allowed should be raised to 3,000 acres?—Yes, and that if you want it you should be allowed to take up 50 acres in addition to what you have settled upon.

315. *The Chairman.*] You say there is a difficulty in financing with the lease in perpetuity?—That is the difficulty.

316. Under the lease in perpetuity the whole of the capital value remains on the land. To secure the freehold it would be necessary to pay this off, or, in another way, if that section were mortgaged to the full capital value, would there not be the same difficulty in getting a second mortgage?—Yes; I should have a difficulty in getting a mortgage up to the full value.

317. The intention of the Government is not to give facilities for selling, but for occupation?—I was placed in very peculiar circumstances. To show you how this lease in perpetuity is looked at, I may tell you a man who came along said to me, "I believe your section is for sale?" I said, "Yes." He said, "What is the tenure." I answered, "Lease in perpetuity," and he would not touch it.

318. You spoke of the difficulty in seeing original plans in the Land Office?—Yes.

319. I have no doubt it is necessary to safeguard these original plans. It would be a serious matter if anything happened to them?—But the public would go and inspect them at the counter. They would not harm them, and they are willing to pay a small fee.

320. I suppose you will acknowledge that original plans have to be safeguarded very carefully?—Yes.

321. As regards the settlement of the country do you consider that the successful settlement of the lands of the country promotes the prosperity of the cities?—Yes, I do.

322. Are not those the means by which prosperity is promoted in the cities?—Yes. There is just one more matter I would like to speak about. There are seven or eight settlers, not in my neighbourhood, who hold small-grazing-run tenures, and I believe there is great difficulty about their roads. They cannot raise themselves to get sufficient money to make their roads. It is a very hard matter, indeed. I know the country well. They have to pack their stuff I would not like to say how many miles, but a very long distance.

WILLIAM LISSANT CLAYTON examined.

323. *The Chairman.*] Are you a landholder?—Not at present. I am a land agent. I am also the secretary of the provincial executive of the Farmers' Union, and I appear before you to represent the executive. I have been asked to appear to support the optional freehold tenure as far as possible, and to answer any questions the Commission may desire to put to me on the subject. The real main thing that the Farmers' Union wish to emphasize particularly is that the lease-in-perpetuity holders should be enabled to acquire the freehold if necessary. We think, on the whole, it is rather unfair that the occupation-with-the-right-of-purchase man, for instance, can change his holding to lease in perpetuity if he likes, while the process does not work the other way, and we think on every occasion every man who takes up land should be entitled to have the opportunity of acquiring the freehold, if possible.

324. *Mr. Matheson.*] Are you satisfied in asking for the right of purchase that you are doing justice to the city dwellers, who have also an interest in the Crown lands?—Undoubtedly. Of course, there has been a great deal of discussion about the unearned increment, and I think that the unearned increment in the great majority of cases is much exaggerated. The unearned increment is brought about probably by the roads with which the Crown tenants are weighted. They are weighted with 5s. or 2s. 6d. an acre, as the case may be, for the purpose of making roads, and these people say that they think that they have produced the unearned increment by reason of their good roads.

325. Do you think that in country lands generally there is an unearned increment?—I think it is very slight, if there is any at all.

326. Do you think it reasonable, the settlers having undergone a great deal of risk to get that increment, that they should be entitled to it?—I do. On some occasions there may be a slight reason for modifying it, but I think in the great majority of cases the settlers have well earned it. I had a property in Crown lease and had a freehold in this district, and I am quite satisfied that settlers in that district, by reason of the difficulties they had to labour under at first, are quite satisfied in saying there is no unearned increment.

327. If the right of purchase is given to land-for-settlements tenants do you think it reasonable that 5 per cent. should be added to the original upset price to cover all possible loss that might arise in some cases, instead of getting it at the actual upset price, that there should be a slight addition to cover any loss the Crown might sustain in respect of sections which people would not buy?—That would be reasonable. In some cases it might not be, but in the great majority of cases it would.

328. Do you think a nominated Land Board is a good system?—No; in a great number of cases it would be better if elected.

329. Would you elect it under the parliamentary franchise?—No; it is a matter I have not gone into very deeply. I hardly like to give evidence on that point, because you might think on maturer reflection that your opinion was ill-advised.

330. *Mr. Forbes.*] Are there many Crown tenants belonging to your branch of the union?—Yes, in the Poverty Bay district it is safe to say more than half the members are Crown tenants.

331. Is it their desire that you should come forward to advocate these objects?—It is, because the branches have unanimously decided that they should have representation on this question of the freehold tenure. The branches intimated to the executive that they desired their views to be explained to the Commission.

332. Do you consider that the lease in perpetuity is a good tenure?—I do not think the lease in perpetuity is just to the State. In the first case, because in 999 years money may increase in value, and it might go back to what it was some hundreds of years ago, and then the rent would be much too large, and it would not be fair to the tenant in that case. On the other hand, probably it would not be fair to the State. You are giving a lease out of all reason.

333. You would say then you would strike it off the statute-book altogether?—Yes, and in preference, I would give occupation with right of purchase to all tenants, but I would advocate that the

tenant be obliged to hold the land for ten years before he could acquire the freehold. That would give him the opportunity to save money to pay it off by small instalments, and it would be practically a return to the deferred-payment system.

334. Do you think that would be better?—Yes; there are many disabilities under which the Crown tenants labour, for instance, in the matter of financing. The lease-in-perpetuity man has security which undoubtedly is not accepted by the financial institutions as in the case of the man who holds with the right of purchase. I had one small lease-in-perpetuity section, and I know no financial institution would take it on any consideration at all, except as collateral security.

335. Would you charge these men who hold lease in perpetuity at the present time anything for giving them the right of purchase?—I think it might in some cases be unjust to make the law retrospective, but if they were prepared to pay an additional 1 per cent. which the right-of-purchase people do pay, I think that possibly a slight percentage to cover any expense the State would be put to as suggested by Mr. Mathesen—probably, say, 5 per cent.—would be perfectly fair and equitable.

336. You would not have the sections revalued whenever a man wished to avail himself of the purchasing clause?—No, I think in many cases the additional value is brought about by the settlers' hard work and enterprise. In the case of Matatua, when they took up their land they had little to hope for. They had to pack their own stuff out, and twelve or fifteen years ago when they started their homes, they carried their lives in their hands. They have brought about the unearned increment themselves, and have been a benefit to the State, and are undoubtedly entitled to any enhanced value their land may bring at the present time.

337. Do you think if this were granted, many would avail themselves of it?—I certainly think so as they got on their feet. The Crown tenant should be put in this position, that he could pay off as he felt himself able to do it, and pay interest on the capital value of the portion that is not paid off. I know of two small settlers who had occupation with right of purchase. The Government gave these terms to them in common with others, and they changed it to lease in perpetuity with the consent of the Land Board, which is always eagerly given. I say if the Land Board has the power to allow them to change to lease in perpetuity, it should also be enabled to change the other way about.

338. A great many of these men had the opportunity of taking up the land with the right of purchase, and they preferred the lease in perpetuity?—If a man makes a mistake and it is not injurious to the State, I do not think the State should punish him for that. That is practically the position.

339. If he wishes to alter this position, and wants to go back again once more, do you think the State should go on chopping and changing about?—Not indefinitely; that is as long as the State is not put to any financial loss, I do not think the State should object.

340. Do you believe a man should stick to his bargain?—Undoubtedly.

341. Do you not think there is more security felt if these bargains are looked upon as sacred, and that men feel more security in holding these leases?—The main thing in the mind of the settlers themselves is that these bargains are not regarded as sacred. Before your Commission, the president of the Trades and Labour Council has stated that he had no particular regard for the sacredness of a contract between the State and the individual. That has raised a feeling of uneasiness on the part of the settlers and the financial men who are advancing their money, and their security is not of the same value.

342. Do you think that is the principle?—No, I think a bargain should be kept between both parties as between private individuals, but it may be abrogated by the consent of both parties. If I let a piece of land on lease for twenty-one years, and after five years a man comes and says he would like to buy it, and I sell it, I cannot see that there is any injustice done to him or me.

343. Do you not see that if the Trades and Labour Council on the one side do not look on this as a sacred contract, and the Crown tenants are also agitating to get it altered, are they not justified in believing it is not sacred?—It is only in sheer self-defence that the option is asked for. I understand that the average Crown tenant is perfectly prepared to pay what is just and fair for the alteration. The State should meet him in the same way as a private landlord would.

344. By agitating in this way, do you not think the Trades and Labour Council and the Crown tenant also do not look upon it as sacred?—On the part of the settlers that has only been brought about in self-defence. The Premier has brought forward a Fair Rent Bill, and has stated he was in favour of it.

345. He has stated that he would be no party to breaking existing leases?—I do not know that I have seen that.

346. *Mr. McCutchan.*] Have you been requested by the settlers you represent to make any statement with regard to roading questions?—Just if I were asked on the subject.

347. What are your views with regard to the roading question in the back blocks?—My private impression is that the present position in which the County Council stand is distinctly injurious to the country district, especially when it is like this. I think arterial roads should be maintained and made by the Government themselves. I think that the grants the local bodies receive should not be purely dependent on the will of the Minister. For instance, this County Council, to my knowledge, applied for a sum of £15,000 or thereabouts in grants for this district which were urgently wanted. They ultimately only received £2,100.

348. But they get a large amount in subsidies do they not?—The subsidies cannot amount to much, because they cannot exceed £2,500, and where there are Road Boards, £500. The Council subsidises the Road Boards to the extent of 5s.

349. But the counties do not get 10s.?—The county strikes the whole rate.

350. Does the County Council devote a portion of the general rate towards the by-roads?—Undoubtedly, where there are no Road Boards.

351. Do you think dual control is wise?—I do not, generally speaking, but I think in outlying districts it is wise that the settlers should be permitted to look after their own affairs, because otherwise

they would be neglected. I do not think in a thickly-populated district or close to the centre that Road Boards are necessary, and I think it would tend to a greater economy if the County Council had jurisdiction over the bulk of the county.

352. Your statement is that Road Boards are called into existence because settlers in the remote districts do not get justice?—I think that was the origin of them.

353. Would not that difficulty be overcome by legalising road accounts?—It might be; I would hardly like to be very definite about that.

354. If Road Boards have been called into existence by the fact that the portions of the county which have strong representation get more than their share of the rate-revenue then the remedy is legalised road accounts, so that the settlers can insist on the expenditure of their rates on particular roads?—The only disadvantage with regard to that would be this: We will take for example a Road Board that I know of some twenty-five miles from here. These people, to come into town, have to go over the main arterial roads which the county has to support. The nearer you come to the town the more traffic there is on these roads, which of course accumulates as it comes down from the back country. The consequence is there would have to be some system by which the County Council could be reimbursed for that additional expenditure. It would be unfair to put the expense of maintaining the road between here and the big bridge at Te Arai purely on the members of that riding.

355. That difficulty is overcome in the Counties Act. In most counties they strike a general and a separate rate. The separate rate must be spent within the riding, but the general rate can be spent all over the county. If that were done, your difficulty would not obtain?—If it did not obtain, I think the road accounts instead of Road Boards would probably be fair.

356. You would advocate it?—I would not say that, but I think it would be fair.

357. Do you not think you are asking too much in asking the Government to make and maintain the main roads?—No, because they benefit the whole community.

358. If you called on the Government to make and also maintain the main roads, surely the by-roads in the remote districts would suffer?—If there is some scheme devised to automatically subsidise the various counties in proportion to their rateable value, it would be rather hard to arrive at a fair and equitable way of doing so, because, if you did it on a population basis, wealthy places that do not require them might have more subsidies than were necessary. But I certainly think the easiest way out of the difficulty would be for the Government to maintain the main arterial roads.

359. It has been advocated that the Government should form and metal the main roads, and then pass them on to the local bodies, and also form the by-roads sufficiently for wheeled traffic, and then that a system of subsidies should be set up. For instance, counties that strike a rate of less than $\frac{3}{4}$ d. get no subsidy, those that strike a rate of $\frac{3}{4}$ d. get a subsidy of 5s., and increasing in proportion. How do you think that that would work?—I think it would work very well looking at it roughly.

360. Have the union which you represent taken into consideration the question of extending the parliamentary franchise to all local bodies' elections?—Yes.

361. Do you think that the public generally should not have the franchise?—We think it is distinctly unfair that the people who own property in the country should have, we will say, their loans raised at the dictation of those who have no stake in the country.

362. Do you advocate deferred payment in lieu of lease in perpetuity or occupation with right of purchase?—Not in place of them. I think occupation with right of purchase should be modified so that the holder in purchasing his section should not be limited to ten years after taking it up. I think it might be amended so that a man might have the right of purchasing by paying an additional 1 per cent.

363. If you allow a man going on a bush section to purchase before the tenth year, is it not possible that he might have better utilised the money required for the purchase to improve his holding?—I think most men are possessed of common-sense, and if their capital is limited they would probably take the easier terms that are offered them and use their capital in promoting the prosperity of their place.

364. Do you think it is possible for a man going on a bush section with a reasonable amount of capital to be able to improve and fence that section and at the same time acquire the freehold within ten years?—With good times it may be possible. It depends on the proportion of the man's capital to the area he takes up.

365. Do you think that the man who purchases for cash should be subject to the same conditions as those who take up a lease—residential and improvement conditions?—I think that residence should probably be compulsory. Residence in the usual run is complied with, but I think there are cases in which there should be some latitude for exemption.

366. The Land Board has discretionary power now?—The Land Board is human and is apt to make mistakes. It probably may not give that exemption to the settlers who needed it.

367. If the Land Board is in sympathy with the settlers' wishes is it not likely that a reasonable request brought before them will be acceded to?—It is likely, but there are cases in which grave injustice may be done.

368. You think the conditions should be further relaxed?—I think so. I think with regard to the cash purchaser he should have certain restrictions with regard to the improvements to be put on his property before he gets a transfer.

369. He has to make improvements within seven years: do you think it would be wise to make him subject to the same residence conditions as occupation-with-right-of-purchase holders?—I think in most cases it would be wise. It has been stated that the freehold would give opportunity for the aggregation of large estates and by acquiring the freehold without restrictions that you would practically encourage the aggregation of large estates, but I do not think it would have that effect. You have a safeguard in the Land for Settlements Act. It is impossible under that to acquire large estates to the injury of the colony.

370. The Land for Settlements Act only provides for cutting up large estates?—Yes, but no one would be so foolish as to pay a high price for land that probably the State would take from him. □

□ 371. Would you advocate the taking of an estate providing the land be fit for closer settlement?—Yes, I think you have sufficient safeguard for land-settlement. If you have these restrictions you spoil the saleable value of the land. You prevent men financing with any facility. I think every man likes to feel that everything is his own. A man might hire a horse at so much a week, but he would certainly be in a hurry to acquire it by paying for it. A man likes to feel that his land is his own, and I think that sentiment is inculcated in the British race all over the world.

372. *The Chairman.*] Do you say the lease in perpetuity is not in the interest of the State?—I do not think it is, because you are making too long a lease. You are making a bargain you cannot see the consequence of.

373. Do you think it is in the interest of the State to part with the freehold and get the cash?—Undoubtedly.

374. Does not the State with the lease in perpetuity get full interest on the money?—It gets rather more now, but it is impossible to say what a hundred years hence will be the value of money. If the value is less it is against the State and not fair to the State, and if it is more it is against the tenant and unfair to the tenant.

375. Do you think there is any difficulty in financing under the lease in perpetuity?—I do, undoubtedly. I know that financial institutions object to it.

376. But if a tenant is in a position to buy a freehold he does not want financing?—I know the financial institutions are enabled to finance a man with a lease with the right of purchase.

377. But where a man is in a position to buy the freehold does he want financing?—No.

378. If he were not in a position to find the money he would have to borrow it and perhaps pay a great deal more for it?—He would probably get a bigger margin by getting the freehold which would enable him to make improvements.

379. Under the lease in perpetuity the whole value of the land remains and no financial institution would advance so much?—Not under the unimproved value, but they would advance him more taking the improvements under the occupation with right of purchase.

380. Under the advances to settlers he could get better conditions?—That is a most excellent Act, except in its administration. Nine times out of ten the applicant sends in his application for money, and that application is probably under consideration for a considerable period. He is kept waiting a long time and then probably it is either refused or the amount is reduced. I know of one instance where a man had improvements worth £1,760. His application was for £800, and the ultimate offer he got was £400, which he rejected.

381. Do you think the State would have been wise to rush into the money-market and borrow on unfavourable conditions?—I think not.

382. Those conditions are now passing away and the Government can borrow more freely?—I think the Advances to Settlers Department should have been honest and told people when they applied that they had no money to lend in the same manner that financial institutions would have done.

383. Do you consider that the lease in perpetuity is insecure and uncertain?—I think it is rendered insecure by the agitation which is going on in some of the larger towns—not in a town like this where there is no such agitation—but I think the Trades and Labour Council are desiring to nullify the contracts.

384. As any tenure is a contract between the individual and the State, whether it is lease in perpetuity or freehold, is not one contract as likely to be broken as the other?—There is the question of whether if a Bill were brought into the House of Parliament to enable the State to acquire the freehold, that Bill would be approved by the King. It would probably be vetoed unless it were clearly shown to be for a public benefit, and the probability is that it would never be passed.

385. If an Act were passed providing for revaluation which would make invalid the existing leases, do you think that would be vetoed by the Imperial Parliament?—I do not know that it would be because it is more open to argument, but I think it probably would be vetoed.

386. *Mr. McCutchan.*] You instanced the case where a tenant with £1,760 of improvements applied to the Advances to Settlers Department for £800 and was offered £400?—Yes.

387. Was the £1,760 the selling-value of the land or the improvements?—That was the selling-value according to the valuation I had.

388. You are aware that the Advances to Settlers Department until recently were only making advances up to 60 per cent. of the improvements?—Yes.

389. Do you know the value of the improvements and goodwill in this particular case?—If my memory serves me rightly the £1,760 would have included the cash payment for the freehold. The right of purchase was at 7s. 6d. an acre.

390. How long ago is that?—About eight or ten years ago—soon after the Act came into force.

391. *The Chairman.*] Do you think it is wise to take any notice of this agitation as regards making the existing leases invalid?—I think it is wise, because otherwise it might be considered that the Farmers' Union were indifferent about it.

392. Do you not think it is an agreement that cannot be broken by any Government?—I think it has always been proved that it is far more satisfactory, especially in the case of farmers, to make as much noise as possible.

393. Is that not an acknowledgement that the labour unions are justified in setting up this agitation?—We know that there have been occasions when Parliament has done a good many things it was not justified in doing.

394. Do you consider that the settlement of the Crown lands of the country is of importance to the

nation?—I think so undoubtedly, and that it should be fostered in every way possible. That is why we advocate giving better security and as easy terms as possible.

395. You think that the settlers going into the wilderness and making the land productive are benefiting the State largely?—Very largely; far more than results to the farmers from their efforts.

396. Do you think that the people of the cities are also benefited?—Undoubtedly, because the bulk of the products come from the primary producers.

397. If there is anything in the way of unearned increment you think the settlers are entitled to it?—Yes, if the State's costs are paid, undoubtedly.

MARGRAVE THOMAS TRAFFORD examined.

398. *The Chairman.*] Are you a settler in the country?—Yes; I hold a small grazing-run in the Hangaroa district under the Act of 1892.

399. I suppose you have some matter you wish to bring forward?—I was requested by the farmers of the Hangaroa Branch of the Farmers' Union to advocate the granting of the freehold. The tenants in the Hangaroa district are all in favour of the freehold, and I am authorised to represent them. There are several who hold small grazing-runs and find considerable difficulty in the making of roads. Settlers in the lower Hangaroa, wishing to raise a loan for the purpose, are unable to do so, because they are not able to rate the small grazing-runs. If the Government allowed us to rate ourselves it would be far better for the settlers and the country too. We hear a great deal about the unearned increment, but, I think, that so far as the back blocks are concerned, there is no such thing. Having gone there when the land was practically nothing and put in years of hard work, and what little capital they had, the settlers consider that they have earned all this so-called unearned increment. As regards the Land Board, I think it should be constituted by farmers more than it is at present—I mean the farmers in the back blocks.

400. *Mr McCutchan*] You want the rating-power altered so that the grazing-runs can be rated at the selling-value?—Yes; that would give the settlers the opportunity of getting roads made.

401. Is that the wish of the small-grazing-run holders generally?—That is the wish of the settlers on the small grazing-runs in the Hangaroa district generally.

NELSON, WEDNESDAY, 21ST JUNE 1905.

THOMAS PATTIE examined.

1. *The Chairman.*] What are you?—I am a farmer holding about 680 acres of freehold, with the exception of 50 acres of deferred payment on which I have a few payments to make. It is situated in the Riwaka district of the Kaitairere Survey District. I was born in the district and have been on the land ever since. I go in for mixed farming, fruit-growing, cultivating, and I also have a small sheep-run.

2. Do you approve of the present constitution of the Land Board?—I would rather approve of the Land Board being elected on the county franchise. I have done business with the Land Board here, having acquired a great deal of my property from the Land Board, and my dealings have been fairly satisfactory.

3. What tenure do you think best for the settler and the country generally?—All the Crown lands in Motueka or Kaitairere or Takaka Survey District are of a mountainous and rough description, difficult of access and difficult to improve. I notice that in those three districts all the land which has been proclaimed as open for selection of late has been proclaimed under the lease in perpetuity; but that tenure is not good enough to induce men to undertake the improving and bringing into productiveness of these lands. It is not land which any settler without means can undertake to improve. Approximately speaking, in part of the Kaitairere Survey District and Takaka there is a block of land of about 30,000 or 40,000 acres, and every inducement should be given to get this land occupied. It is now occupied on all sides—round the block. Every year fires spread from the adjoining lands and burn some of the bush on the Crown lands, with the result that in a few years time the blackberries spread to all these Crown lands, and there is a great danger that the best of this land will in time become simply a huge blackberry-bed. The tenure which I consider would be the most suitable for the occupation of that land would be the right of purchase straight out or the deferred-payment system. That system seems to have always been a satisfactory tenure in our districts. I have acquired land under that tenure myself, and I consider it is a very good tenure indeed. I consider the lease-in-perpetuity tenure is objectionable to the tenant and it is also bad for the State. I know Crown lands which are held under the lease in perpetuity, in regard to which, if the provisions of the Noxious Weeds Act were enforced upon the tenants, they would simply walk off and forfeit their tenure, and it would pay them to do so. There is a great cry against the freehold tenure, especially in the towns, but the townspeople have no idea of the every-day life of the man on the land or of the obstacles he has to overcome; but they appear to be led by agitators who claim that our unimproved value is the unearned increment, and they persist in advising the townspeople to take steps to participate in this unearned increment. I contend that if the men who agitate in this direction had the experience of some of our farmers on the land to-day the unearned increment would be the last thing they would want to take away. In our district we have a great many settlers who are tenants of the various trusts, and you had before you in Wellington three delegates from our district who were tenants of those trusts. Some of those leases are very unsatisfactory, under the College Trust especially. There are some great hardships suffered under that tenure.

4. Do you know of any pressure of residential conditions in your district which are unreasonable?—No. A great many—in fact, the most, of the Crown tenants holding land in our district are not subjected to residential conditions, as their holdings are on the mountains. Residence is not enforced.

The cropping-restrictions do not affect us as there are no agricultural lands held under lease in perpetuity in our district. It is more of an agricultural and hop-growing district on the flats, and on the hills the land is used for sheep and cattle grazing.

5. You spoke of this area of 30,000 acres which is very hilly and very broken. Do you think, considering the very uninviting nature of that land and its configuration, that the homestead system should be adopted there?—I hardly think that system is suitable for it. It is too rough and mountainous and too difficult to road. It requires men with some capital to take it up, and it should be taken up in areas of not less than 500 or 600 acres. The ballot system has never been applied in our district. The system of loading for roads I have had no experience of myself, but I think it has been adopted lately in the district. There is a main road going over the Takaka Ranges, and leading from Riwaka to Takaka. It is a good road and there are branch roads from the Canaan Track which runs through this block of land. The main road is a good road for light traffic, but it is not fit for heavy traffic. It was constructed by a Government grant.

6. Have you had any experience of the Advances to Settlers Office?—No. I have had no advance myself from the Government, but there are some who have had money under that Act. I have not heard of any complaints.

7. Is there any aggregation of estates going on?—No; it is the other way. The holdings are very small; in fact, too small.

8. *Mr. Johnston.*] Do you represent any local body?—No.

9. Or any section of the community?—I came here voluntarily; but I was appointed to give evidence along with the three gentlemen who went to Wellington. After they were selected the Commissioner advised us that the expenses of two only would be paid, and, as I was not a tenant under any of the trusts, I voluntarily stood out.

10. Are you a member of the Farmers' Union?—Yes; we have a very small branch, but they have not appointed me.

11. Are you the president?—No; I hold no office whatever.

12. What is the total area of land that your family occupy in that district?—There are my cousin and my brother adjoining me.

13. What is the nature of this country?—Very heavy-bush land with limestone formation. It is good sheep-country in the summer, the highest altitude being about 2,500 ft. Mine is about 2,000 ft.

14. Can you winter sheep at 2,000 ft.?—Yes.

15. What is your carrying-capacity?—Taking winter and summer it would perhaps average two sheep to the acre.

16. What is the value of your land per acre?—It is very difficult land to improve.

17. What did it cost you?—Part of the land which is under the deferred payment cost me 14s. an acre, and I paid over £2 for some and £3 for another part per acre for clearing the bush alone. It is mixed bush—brown-birch, red-pine, and rimu.

18. What could you get for that land now in the open market?—I might get £5 an acre, but not more.

19. Is it all cleared and in grass?—It is all cleared, but I have not got it all grassed yet. It is very difficult land to burn owing to the formation and to the land being always damp where there is any fallen bush, and not in one year in twenty can you get a burn. I have had to sow some of the land three and four times.

20. You believe in elective Land Boards?—Yes.

21. Is the Land Board as at present nominated not satisfactory?—Yes; but I am inclined to think that an elective Board would be more satisfactory.

22. Are they practical men who are members of the Land Board now?—Our member, Mr. Wrett, is a practical man.

23. Are the rest of the men like him?—I am not personally acquainted with some of them, but I do not think they are all as practical as he is.

24. Really you have not had sufficient acquaintance to state whether you are satisfied or dissatisfied with them?—I have done business with them.

25. Has it been satisfactory?—Yes; but what I mean is that, in working, an elective Board, I think, would be more generally satisfactory.

26. Is this Crown land you spoke of bush land or open country?—All bush land, some parts very heavy bush.

27. Cannot it be used for timber?—No; the part which adjoins me on the north is too difficult of access for getting timber.

28. Could it not be used for milling purposes?—No; timber would have to be very dear to make it payable to bring it out: it is too mountainous.

29. What areas should it be cut up into to get it settled?—It is generally cut up from 300 acres upwards, but a man ought not to hold less than from 600 to 900 acres. It is second-class land.

30. Then he can hold more than 600 acres. What total area, to be payable, should it be cut up into?—I should say 1,000 acres, but the tenant ought to have the option of taking more if he chooses—say, 1,500 acres in all.

31. Would not this land be more suitable under the lease in perpetuity?—No; I would never touch it under that lease because I have no faith in it.

32. Have you ever held any lease-in-perpetuity land?—No; I have never held any land under that lease.

33. Then how have you had any experience of it?—I have had no personal experience.

34. Then what you say is only hearsay?—No, I have my own opinion.

35. Where have you had the experience?—I have had the experience from my own knowledge.

36. From observation?—I know what the tenure is and the conditions of the tenure, and, there-

fore, I consider that the tenure is not good enough to induce men to undertake the work of improving this land.

37. That is only your opinion and not experience?—I told you I had no experience.

38. Then it is only an opinion you are giving?—That is quite right.

39. Have you had any experience of the settlements under the Land for Settlements Act?—No.

40. How does this blackberry come to spread if this bush is so very heavy?—The bush on this area I speak of is not so heavy, The limestone area is very limited, but there the bush is very heavy.

41. What is the other bush like?—It is open; it is a mineral formation, and that would burn better because the land is harder.

42. You distinctly said the blackberry was spreading; where does it come in?—It is all round us; from year to year the fires spread into it from adjoining lands.

43. Is the blackberry on your place?—I have not got one root that I know of.

44. Have you got an Californian thistle?—No.

45. Well, where does the blackberry come in?—The blackberry in the Takaka Valley is in evidence everywhere. You find it on the hill-tops and on the flats and in the gullies.

46. What steps have been taken to eradicate it?—We have the Noxious Weeds Act in force, but the blackberry here is a very difficult problem to solve.

47. The Act is not being enforced?—It is being enforced, but I do not know exactly how far it could be enforced. I know that in regard to certain sections the Inspector uses his discretion, so that the enforcing of the Act should not be made too great a hardship on the settler, but the blackberry is so extensive and so many plants go to seed every year, which means hundreds of new plants, that it is extremely difficult to bring about any perceptible improvement.

48. Where are these lands that are full of weeds, and which you say the tenants would have to leave if the Noxious Weeds Act were enforced?—They are on the Takaka Hills, and part is in the area I have been describing.

49. But this area is not occupied?—Yes, the part I refer to is occupied.

50. You said a lot of tenants would have to leave their lands if they were compelled to clear them?—I did not say a "lot." I said I knew of a lot of Crown lands which are occupied under the lease-in-perpetuity tenure on the Takaka Ranges, and those lands had weeds on them before they were taken up. Once it was timber, but now it has been burnt and these blackberries are there now.

51. Do you think the present number of settlers on the land could have got on the land if it had not been for the tenures offered by the Government?—Yes, I think so. I think under the deferred-payment system the land would have been occupied more freely.

52. When Cheviot was put on the market a number of the sections were offered on the freehold tenure, and others under the lease in perpetuity, and the freehold sections were not taken up at all?—I have no knowledge of that district.

53. Do you approve of giving the freehold of education reserves?—No, I do not think it would be wise to sell them. If the tenants can get a satisfactory tenure I would advocate that they should be retained as educational reserves.

54. You think they should not be sold on deferred payment?—No.

55. *Mr. Paul.*] What would be a satisfactory tenure for these reserves—satisfactory to the endowment, and also to the tenant?—I think the tenant holding land under Native trusts are in the most satisfactory position, and are generally satisfied. By Act of Parliament they have a right to their improvements.

56. You think that if the tenant had a right to his improvements and a right of renewal at an arbitration rent on, say, a twenty-one-years lease it would be satisfactory?—Yes, but the tenants are agitating for more than that. They are agitating that they should participate to some extent in the unimproved value, in what is called the unearned increment; that is in respect to their rents they should have the benefit of probably to the extent of 50 per cent.

57. It is contended that they create some of this value, and that they should not pay rent on that portion which they create?—As to the unimproved values—that is as the land is valued at the present time—I consider that a great deal of it really does belong to the tenant.

58. When you spoke of the people in the towns advocating certain views, did you mean to say that there was no such thing as an unearned increment, or did you speak only in relation to your own district?—What is claimed as the unearned increment is the unimproved value. I contend that a very high percentage of the unimproved value under a right valuation belongs to the settlers on the land.

59. But do you consider there is any such thing as an unearned increment—is there any value beyond what the tenant creates?—Yes; I think there is a small percentage of unearned increment.

60. Then such a thing does exist to some extent?—Yes, to some extent.

61. Have you studied carefully the question of the election of members of Land Boards?—I cannot say I have studied the question carefully, but I have given the matter some thought.

62. You do not think that every man, woman, and child in the country has a right to a voice as how the land shall be disposed of and administered?—No.

63. You think that only those who are about to buy the land should have a voice in saying how it should be disposed of?—No.

64. You mean to say that those who have bought land and hold land shall be the only men to have a voice in saying how it shall be disposed of?—No, I do not say that.

65. You say they should be elected on the county franchise?—Yes.

66. Then you deny that those people holding no property should have any voice in the election of the Land Board?—Under that franchise they would not have.

67. Do you think that is fair?—Yes.

68. Is the Noxious Weeds Act enforced very stringently?—It is enforced, but if it was enforced to the fullest extent I am afraid it would prove ruinous to a great many of our settlers.

69. Would that be the effect on the freeholders?—Yes.

70. Are there any Crown tenants in your branch of the Farmers' Union?—I think there is one.

71. What is the total membership?—I think there are about six. It is hardly worth calling a branch.

72. What is there in the lease in perpetuity which would prevent intending settlers taking up that land and using it to the best advantage?—The tenure is not secure enough. There is an agitation going on now—perhaps there may not be any great risk in it—but it is creating a doubt in the minds of settlers. There is not the least doubt that the agitation going on has a detrimental effect in the minds of men who would be likely to occupy land.

73. Is there not an agitation going on in regard to the freehold. Is there not a certain set of men who advocate land-nationalisation, or a prohibitive land-tax?—I believe the men on the land almost as a body are agitating for the freehold.

74. How do you get that knowledge?—By following the evidence given before the Commission to a great extent.

75. As reported in the newspapers?—Yes.

76. You are an old settler, and you are a man who exercises some thought on these questions. Do you seriously think that a colonial Parliament will break the conditions of a bargain entered into between a section of its citizens and the State?—Well, I should hope not.

77. Do you think it is likely to take place?—It is hard to contemplate what might take place, it appears to me so at least.

78. You have not much faith in the representatives of the people?—I would not say that.

79. Have you not got an opinion as to whether it is likely or unlikely to take place?—To speak out my mind plainly I do not think it is likely to take place, at any rate not in the near future.

80. And you hope that the colony will improve with age?—Yes, I do.

81. *Mr. Anstey.*] What do you consider the weak spot in the lease in perpetuity?—I consider that in a colony like this the great question is to put people on the land, and there is no tenure that will induce young men who have been brought up on the land to remain there like the freehold tenure.

82. But is it not impossible for many young men to acquire a freehold without mortgaging themselves beyond a hope of doing any good?—Yes; but he should have a lease with the right of purchase.

83. Would you give that right in the case of all leases?—No.

84. In regard to Native trusts what claim have the Native owners on the unearned increment: how do the Maoris contribute towards it?—I do not see that they contribute at all.

85. Therefore, the unearned increment cannot belong to them?—I consider it belongs to the man on the land.

86. Do you think it would be wise to let Maori land, securing to the lessees their improvements?—I would not go so far as to disturb existing arrangements.

87. Would you give every tenant, including tenants on public reserves of various kinds, the right of purchase?—Yes.

88. As to the land in your neighbourhood, you have stated that many of the holdings are rather small: would it not be better if they were taken up in larger areas under leasing conditions?—No: they would rather have a less area of freehold land.

89. Notwithstanding that it is not so profitable to them?—That is a question.

90. Can you state the terms granted in the case of these various trusts?—From fourteen to twenty-one years.

91. And do they provide for valuation for improvements?—In certain cases.

92. Do you think that the tenants of all these public lands should have the right to valuation for their improvements?—Yes.

93. Do you not think there should be a law that every tenant should have full security for his improvements?—I do. I could mention a case where after greatly improving the land a tenant's rent was raised, and he never got sixpence for his improvements.

94. You think that every tenant should have thorough security for any improvements he effects?—Yes.

95. *Mr. Johnston.*] Do you not think it would be a good thing for the Government to take over all these reserves, and give the trustees bonds bearing 5 per cent. interest equal to the capital value of the land?—Yes, I believe it would be in the best interests of the tenants.

96. *Mr. Paul.*] Would you make it statutory law that tenants of private landlords should also have the freehold?—No.

97. Would you prefer a Maori lease on the conditions you have stated—you seem to have lost faith in the lease in perpetuity?—I would not care for a lease under any of their tenures.

WILLIAM FREDERICK PELLEW examined

98. *The Chairman.*] What are you?—I am a tradesman residing in Nelson, and have been here for fifteen years. I have 2 acres of freehold land in the city. I am as a worker strongly in favour of the lease in perpetuity, because under it the worker is practically secure and cannot be turned out into the street by his creditors should any misfortune overtake him. Therefore, I consider the leasing system is better than the freehold. In fact, I would forfeit all my land for a lease from the Crown.

99. Might that privilege not be abused in some way?—It might be abused, but I think that if all workers had a leasehold it would encourage them to improve the properties to a far greater extent than they do at the present time. If they had leaseholds they would know exactly what they were going to pay per annum, and it would be better than mortgaging their freehold land,

100. Taking your own case with the freehold of your 2 acres, would you prefer to have a leasehold of the same land?—I would certainly.

101. Do you cultivate your 2 acres?—I cultivate all my land, and it would honestly pay me at any time to pay a small rent to the State; we would be in a much better position than at the present time.

102. *Mr. Paul.*] By “worker” I take it you mean a man who works his land?—Decidedly. If I was on the land I would prefer a lease to the freehold at any time.

103. What is your occupation?—Wood-working machinist.

104. Would it pay you to give up your land and take a lease?—Yes.

105. What did you pay for your land?—Fourteen years ago when I bought the land it was very low in price, and roughly speaking it was £300 an acre.

106. What is it worth to-day?—I could not exactly say. I have improved it considerably since I have purchased it.

107. After being paid for your improvements would you make enough if you sold it to-day?—Very little; I might make £100.

108. Still you are so convinced that the leasehold would be best that you would forego that £100 to take a lease?—Yes, willingly.

109. *Mr. McLennan.*] Do you belong to the Trades and Labour Council?—I am a member of a trades-union.

110. Are you in favour of the revaluation on the system of leaseholds?—Decidedly.

111. And lease in perpetuity?—Yes, I think it should be valued at least every five years.

112. Have you studied the question?—I have given the question a good deal of thought.

113. Are you in favour of revaluation upon a persons’ holding, say, when transferred to another party?—If a worker improves his land to the extent of £300 he should be compensated for it, and he should also be revalued as regards the rates and roads.

114. As regards the lease in perpetuity, that breaks the lease?—To a certain extent.

115. You would break the contract between the tenant and the Crown by revaluation?—Yes, you do certainly by that.

116. At a Council meeting in Wellington a motion was carried as to the revaluation at the death of the present holder or if the present holder wished to transfer it to another?—It should be revalued when it is transferred from one leaseholder to another.

117. And should the present holder die the property, you think, should still be revalued?—I am not altogether clear on that point.

118. It is a lease in perpetuity for 999 years?—You mean that if a person occupying land should die the land would have to be revalued again to go into the hands of another tenant, I should say yes.

119. Have you studied that question?—I have given it fair consideration.

120. What position would that put the wife and family in?—That would make it very awkward in that case, but I do not see any way out of it.

121. Do you think it is a fair way?—From a worker’s point of view it is not.

122. Why do you advocate it if you think it is not fair to revalue the property if the owner dies?—I do not see any way out of it. I do not think it is a fair way, placing it that way.

123. That is the only way you can place it. If you are to revalue the property if the present holder dies, what about the wife and family?—They would have to bear the brunt of it.

124. Do you think that is fair?—No, I do not.

125. Do you think it is fair that the Crown should break their agreement with the present tenants?—No.

126. And why then do you advocate revaluation at the death of the present leaseholder?—The way I advocate it is this: you put it in a different light from what I looked at the question. If I was transferring my land to another I think it should be revalued then.

127. Would not that be breaking the contract?—Yes, it would certainly.

128. And still you advocate lease in perpetuity, and at the same time you advocate breaking it up by revaluation?—Yes, it does seem that way.

129. Do you think that is consistent?—No.

130. Supposing you had a lease in perpetuity of 200 acres, and you had a wife and three children and you were to die, would you like to leave your wife and family in a fair position and not a burden on the community? Say the property is to be revalued and you are paying perhaps 10s. an acre rent, and, say, the next valuation would be 14s. to 15s., your widow would have to pay that or clear: do you think that is fair?—No, certainly not.

131. Do you think any Government in creation would bring in a Bill at the instigation of a labour union in that direction?—No, I do not.

132. Why do you advocate it then?—We have advocated it because we wanted to place a man in a safer position. If he has got a leasehold he cannot be turned out into the street should any disaster overtake him.

133. Do you think that is a safe position to be in?—I should say it was fair.

134. *Mr. Anstey.*] Is there any demand for workmen’s homes round the City of Nelson?—Yes, there is generally a fair demand.

135. How are the workers’ rents?—Very low; a second-class cottage would be 8s. or 9s. a week.

136. Would it be advantageous if workers had small sections on lease in perpetuity to build homes?—I think it would be.

137. What areas do you think the workers should have?—A quarter-acre.

138. How would it be if the Government took over your 2 acres and made it into ¼-acre sections and gave it on lease in perpetuity: do you think that would be an advantage?—I do.

139. Or any smaller area?—Yes

140. Would it be an advantage to any working-man—Yes, it would be a saving in a sense, but it would have to pay a small rent.

141. Are there any number of working-men who would avail themselves of it?—Yes, I think so in Nelson at the present time.

142. Do you fully understand the question put to you by Mr. McLellan with respect to this valuation? It has two aspects, the one is that the State has entered into a deliberate contract with tenants for 999 years, and the other aspect is whether the revaluation should be applied to them. Are you in favour of breaking the existing lease to the extent of imposing a revaluation, although the lease clearly says there shall be none for 999 years?—Certainly.

143. You are in favour of it?—Yes.

144. Is it very nice to break a contract like that?—No, it is not. If the Crown gave me a lease for 999 years on a fair rental and that was handed down from time immemorial, I think that would be a fair way of doing business.

145. Do you think it would be fair for the State to step in and break that?—No, I do not. In the case of the freehold where that has been the case my argument is that the whole land should bear one rent. The whole revenue should be derived from the land and taxes put upon the land.

146. If you have sold land and took money for it, you cannot get the land without paying back the money?—No, certainly not.

147. Do you think that no bargain should be broken without full compensation?—Yes, if a bargain was broken I think a man should be paid for it.

148. *Mr. Paul.*] Had you given any consideration to the revaluation question previous to coming here?—No.

149. And in answer to Mr. McLennan you gave your answer without due thought?—Yes.

150. Would you wish to lay it down as a principle that no bargain should be broken without fair compensation?—Yes, I do. That is my principle. If a bargain is made with a man he should be compensated if it is broken.

151. The State has entered into a bargain with these tenants for 999 years you think the State is morally bound to stick to that, or pay compensation if it is broken?—Yes.

152. *Mr. Johnston.*] Would you be willing to give compensation over and above the value of the land?—Yes, certainly.

153. You think they should get *quid pro quo* for the breaking of the contract?—Yes, that is breaking the security I have entered into.

154. *Mr. McLennan.*] How would you arrive at the compensation supposing there is five years to run?—By arbitration.

155. How could you arrive at it?—That is a difficult matter, but I should say by arbitration.

156. *Mr. Paul.*] At the present time, without taking a man's freehold from him, it is supposed to be longer than 999 years?—Yes.

WILLIAM DAVID BROWN MURRAY examined.

157. *The Chairman.*] What are you?—Chief Draughtsman in the Nelson office.

158. You have been a long time in the service of the Government?—Yes, between twenty and forty years.

159. And at present you are acting on behalf of the Commissioner?—Yes.

160. You have not been very long in Nelson?—No, only twelve months in this office.

161. I think that you have prepared a statement regarding the tenures and generally regarding the land systems so far as you know them?—Yes, but I am placed at a disadvantage through only being a short time in the district.

Residential Conditions and Tenures under which Lands are occupied.

The tenures are of so many kinds, that the man must be hard to please who cannot find a tenure to suit his circumstances. But hard-and-fast rules for the different classes of lands should not be made to apply for all parts of a land district; but climate, situation, access to the land or markets, should be taken into consideration in dealing with the improvement clauses and payment of rents.

A majority of the Land Board of the district should have discretionary power to fix and regulate the conditions applicable to settlers in the various portions of their district irrespective of the tenure or Act under which the lands may be held, subject, of course, to the sanction of the Hon. the Minister. The transferring of sections should not be allowed. If a man cannot fulfil the conditions, the section should be opened for fresh applications. This transferring business is relied on throughout the colony by nefarious persons as their mainstay to, to put it plainly, work a swindle. If transferring were completely vetoed, it would prevent an undesirable class of persons applying for lands that are likely to be keenly competed for. No applications should be accepted from single girls who are in shops or hotels, or who cannot show that they have been accustomed to farming pursuits, and have sufficient money of their own to work the land. Nor should applications be accepted from land-agents in their own name, bank-managers, or principals of business firms; these are not the class of men from whose ranks come the legitimate settler. For open lands, residence should be compulsory after the first twelve months. With regard to lands under the Bush and Swamp Act, at the end of the period of exemption residence should be compulsory, but not till then. Of course, a certain amount of improvements should be put on the land every twelve months. There is no doubt that residence should be made compulsory after fixed periods. It is one of the best safeguards from dummyism. Revaluation of a man's land at fixed periods may be looked upon as a hardship. It is a tax on the energetic, pushing settler, and in many cases deters a man from improving his property, knowing that the more he does

to improve and beautify his place the more he will have to pay eventually. If the land rises in value, the occupier should get the benefit, the same as all classes who have held lands in the colony heretofore. The land laws of the colony, speaking generally, are liberal enough for all purposes, and it is safe to say the majority of the Crown tenants have nothing to complain of. Any one can confirm this who has watched settlement in New Zealand from the early days, for there are thousands of people who have raised themselves to comfort and independence on the lands of the colony, who when they commenced had little or nothing. To give preference to married men with families would be a good measure if it could be done without raising discontent. More lands should be opened on the small-grazing-run system, these runs being keenly competed for in most cases, and a large proportion of the Crown lands in different parts of the colony are more fitted for this system than any other class of farming; the lands being of poor quality, a man requires from 1,000 to 3,000 acres to make a living. In many districts the products of a dairy cannot be got to a market, while wool can always be packed out and find a ready market.

No Act of the Government ever gave greater relief to intending settlers than "The Bush and Swamp Crown Lands Settlement Act, 1903," and if it could be coupled with a judicious system of road-making to give access to the lands, no reasonable man could ask for an easier tenure.

The balloting system is the fairest way yet introduced of disposing of Crown lands. Its working appears to give general satisfaction, and there is no doubt it is a better system than either the auction or tender, as there is no temptation for a man to go beyond his means, or to give more than the value of the land. In many cases, intending settlers are not capable of putting the correct value on land. By the ballot system the prices are already carefully calculated and fixed. If the prices err at all, it is generally on the side to favour the applicant, and not the Crown.

Without expressing any opinion on the freehold *versus* the leasehold question, I may say that no tenure ever gave greater satisfaction to settlers than the occupation with right of purchase extending over fourteen years, the rents paid going towards making at the end of that period the land freehold; but even at the end of that period it would be well if the land were made unalienable, unless with the consent of the Land Board and the Minister. This would prevent men from selling out and once more joining the ranks of land applicants, as in many cases they do. If the above restriction is considered expedient for the Native race, there is no reason, except a sentimental one, why it should not apply to Europeans also.

Nelson Lands prior to 1892.

Re lands settled in Nelson prior to "The Land Act, 1892," coming into force: All lands in the Nelson Land District were settled under the deferred-payment system, fourteen years lease, and the land at the end of that period became a freehold. The ruling rate was 10s. to £1 per acre. No improvements were exacted. The rents were always punctually paid, and the tenants gave no trouble.

Drawbacks to Settlement.

In the Nelson Land District, within the last twelve months, we have opened to the public over 100,000 acres of West Coast bush country, of which only a few thousand acres have been disposed of. Some blocks we have not had a single application for. Reasons may be: Price too high, not sufficiently known, and that the people who do know have not sufficient capital to work bush country, nor do they know how to handle such country. Good burns are hard to get, the underscrub being very wet and dense, and the country, as a rule, rough and broken. Another reason why the land is not taken up in the Nelson Land District is that the people are too poor to put down the survey-fee of £40 or £50. These fees, I may say, have lately been done away with in this district, and consequently we expect a much better demand in the near future. Other reasons are that there are no markets and no roads. If roads were made, and the land properly advertised, it would, I dare say, be taken up readily, the provisions of "The Bush and Swamp Crown Lands Settlement Act, 1903," affording facilities not formerly to be obtained. The want of adequate educational facilities has also a great tendency to prevent persons with families from settling in remote districts such as most of the land opened recently lies in. The French Pass country, which is no better than that of the West Coast, in fact, not so good, has all been taken up, not an acre remaining in that part of the district. Until roads are made settlement will not be a success. There are fully 200,000 acres of similar country on the west coast of this land district, and what is wanted is some few to make a start, and let others see what can be made out of such country, and then people would not be so backward to take the land up. I do not think that the lease in perpetuity is a very popular tenure with ex-mining people; old diggers and others prefer to be their own landlords, or to see a prospect of being so. One drawback at present is that all lands on goldfields must be opened on the lease-in-perpetuity system. Some means might be devised by which these lands might be disposed of as freeholds, the Crown to resume possession, say, at land-tax valuation, on the lands being found to be sufficiently auriferous to warrant their being resumed, the Warden and the Land Board to decide the matter. Where we have fairly open country, such as the Maruia Block, 22,000 acres, the land is keenly competed for.

The Homestead System.

The homestead system might be introduced into the Nelson and West Coast Districts with advantage. The provisions of the Mining Districts Land Occupation Act, which are somewhat similar, are very liberal, and the Act is being taken advantage of in a large measure in the Nelson District. But the homestead system has advantages, and specially provides for people with young children, who individually benefit, which any other land-tenure does not. It also helps to keep a family together, and this often enables them to make a better living out of the land than they otherwise would do. It also breeds the right class of settler, who when he starts on his own account has passed his apprenticeship, and has little to learn.

Lessees borrowing privately

The Crown, as a rule, is a good and easy landlord, and safeguards the interests of settlers in many cases better than they can do themselves. The less they have to do with borrowing from outside sources the better. In fact, if Crown tenants were compelled to borrow only from the Advances to Settlers Office I believe it would be to their advantage. In no case should they be allowed to borrow without the whole transaction being examined and sanctioned by the Board, so as to hinder reckless or improvident settlers from placing themselves and the land under embarrassments. The Crown and its tenants should be the sole parties interested. Outsiders should not be allowed to step in, as in many cases they do, to the ultimate ejection of the man from his holding, and one more loophole made for dummyism to utilise. The Crown, as the landlord, has a perfect right to make such conditions and stipulations with regard to its tenants as it may see fit. If it be for the benefit of the Crown, and at the same time to safeguard the interests of its tenants, there is no good reason why a clause should not be inserted in a lease that all moneys borrowed on the security of the land or lease should be borrowed from the Advances to Settlers Office, unless a man can prove to the satisfaction of the Board that he can borrow equally safely, and at a lower rate of interest, from a trustworthy outside source.

Loading Lands for Roads.

With regard to loading lands for roads, this appears to be the best and most independent way of raising money for this purpose: Let the bare prairie value of the land be fixed. The County Engineer or the Government Road Engineer, with the surveyor of the land, go over the roads actually required to give fair access to the lands to be opened, come to a decision what roads have to be made, bridle-roads or dray-roads, make a careful valuation *re* the cost of the same, and load the lands sufficient to pay interest and sinking fund on the money required to make these roads, the debt to be extinguished in a period to be agreed upon. The lands opened should certainly have access given to them. The question has to be faced. The colony cannot and should not be asked to find the money. The lands should carry their own burden, which they certainly should be able to do once good access to markets and the outside is given to them. The "thirds" and "fourths" do not give sufficient money to make roads or tracks in a systematic manner. They are only useful for improving access, or for keeping roads in repair.

Chain Reserves on Banks of Streams or Lakes.

These reserves are being utilised, and in some cases abused, by County Councils and Road Boards. When these reserves were first introduced in the early survey days by the late Surveyor-General, Mr. J. T. Thompson, they were never meant for roads, but were intended principally to conserve the rights of the Crown to all water frontages and sea-coasts. They should be looked upon as one of the most useful assets of the colony, and should be in the sole charge of the Land Commissioners and Land Boards. These reserves were designed in a measure as a protection to the mainland, and, from the late interference with them in some parts of the colony, an Act should be passed that flax or bush growing on the chain reserves along river banks should not be cut or destroyed, as they are in many cases the only protection to the neighbouring lands in time of floods. Where these reserves are in bush country, when the bush is felled into the rivers—as is invariably done to get rid of it—the first big flood that comes along rushes the timber down in masses, which fouls the pillars or piers of bridges, and as the mass accumulates sweeps the whole structure before it. Also any bridges further down the river share the same fate. If the late legal opinion is correct, that in sixty years these reserves will become the property of the neighbouring landowners, an Act should at once be passed vesting all reserves along sea-coasts, lakes, and rivers in the Crown for ever. In some parts of the colony the rivers and lakes are private property, the opposite proprietors holding to the centre of the river. It is only a question of time when these interests will clash with the privileges supposed to be taken advantage of by tourists, fishermen, or sportsmen. In time, no doubt, these water-rights will have to be acquired again by the Crown, as already in places these rights are found to be a nuisance.

Lands granted by Native Land Court.

In many cases where Native Land Courts deal with land they grant the Natives, and also Europeans, the lakes, rivers, and all rights to high-water mark. With regard to the high-water mark being granted, I am told this is illegal, but it is done and will be a source of trouble in the future. The lakes and rivers should certainly be reserved to the Crown, even if the Natives have to be compensated. This is a far easier process than dealing with Europeans afterwards.

Sawmill Areas.

Where sawmill areas are leased, the lessees should be compelled to cut out the bush systematically, and not pick out the best of the timber only, and then apply for a fresh lease. A clause to this effect should be inserted in their leases and the Ranger inspect the bush said to be cut out before a fresh lease is granted. Nor should lessees be allowed to pick the eyes out of a forest, as is being done. Where milling-timber reserves have been made, the bush should be leased, when millowners apply for it, in such areas as will take the bush on a face, and a fresh lease should adjoin the former one. As is well known, the timber industry of New Zealand is an important one, but its duration is limited, therefore all due precautions should be taken that the bush is not culled over and wasted, as in many parts is being done at present. When bush areas are cut out, the lands should be opened for selection, and on the most favourable terms for settlement, as the land if left becomes in a short time a garden for noxious weeds and undergrowth.

Sections being taken up for the Disposal of the Timber only.

Safeguards will have to be imposed to provide for cases where men take up sections with the intention of disposing of the timber thereon, and then throwing up the land. A clause should be inserted in every lease, that where bush is on the land no timber must be sold except from such portions as are felled for clearing purposes. That is to say, if a man fells 50 acres of his section to burn, he can only dispose of the timber on that 50 acres, and any other portion of his section likewise.

Sections offered at Auction.

I think the sections that have been once offered at auction, and not sold, should be open afterwards, to be applied for and granted without the section being put up to auction a second time. The present system invites in many cases spiteful opposition, which I think is needless.

Taking Roads.

Over all Crown lands sold for cash, or under any tenure, the Government should reserve the right to take roads through at any time—no limit—at the land-tax value. The giving of access to lands—or, as industries spring up, better access than was originally laid off—is, where private property intervenes, an expensive and troublesome proceeding. In cases as much as £20 per acre is asked, while the Government lands adjoining are offered at 7s. 6d. per acre and do not readily go off at that.

Grouping Sections.

With regard to grouping off sections, I never heard any intending settler speak favourably of this, but the very reverse.

162. You think that the Land Boards should have a great deal more discretion?—Yes.

163. You recommend that the law should be amended so as to give them more power: you do not mean, I presume, to advocate that the Land Boards should proceed irrespective of law?—No, I mean that the present law should be amended to give them more discretionary power.

164. You said that survey fees had been done away with: is not that in respect to unsurveyed land?—Yes.

165. How is the Government to be recouped for the cost of survey?—They are not recouped in any way. The Land Board have decided in cases where they wish to facilitate the land going off to do away with surveys, and we have to make a list out and submit it for the Minister's approval.

166. What is the lowest price for the land here?—Five shillings.

167. Regarding that 2,000 acres on the West Coast you referred to, I suppose it is very rough and wild?—Yes.

168. What areas would it require to be taken up in?—I think there should be power to take it in areas from 1,000 to 2,000 acres. It is inland from the coast.

169. Is there any reasonable access to it suppose any one took it up?—Not at present. There would require to be some tracks taken in. It is all unsurveyed country.

170. Do you think it would promote settlement if a certain quantity of that land were laid off in reasonable areas?—Yes, if there were any road to it.

171. But as a preliminary, if the country were carefully examined and road-lines cut so that people could get into it, do you think that would promote settlement a little?—I certainly think so. Blazed tracks might help them and survey-lines. The flying topographical survey is essential at the start.

172. That would cost probably to prick off the country 2d. or 3d. an acre?—Yes.

173. With regard to sawmill areas in Southland, the system used to be that if a man gave substantial security that he would put in a mill of a certain calibre he was allowed about 800 acres, but he was not allowed to pick out the trees. Do you think that would be a good system to apply here?—If that were done here it would be better than the promiscuous leasing here and there as carried on now.

174. It is quite within the power of the Land Board to do that?—But the Warden grants the leases here for the bush because it is in a goldfield and it is a very hard matter in some cases for us to locate the area on the maps. We have introduced a system that the Rangers must forward a sketch to the Board when we cannot tell where the Warden has granted these areas.

175. Is this 2,000 acres you refer to within the goldfield?—It is all within a goldfield.

176. *Mr. Johnston.*] You object to applications from girls: have you had any such applications?—I noticed in the Hawke's Bay District when lands were opened there that various hotel-servants went in for sections. Girls from Dannevirke and places like that went in for such lands as Hatuma and the Brow.

177. You think that there has been some abuse of the application system?—I think so.

178. For speculation purposes?—Yes, that was our experience in Napier.

179. Do you in your remarks practically approve of the occupation-with-right-of-purchase system or the deferred-payment system?—That is the system which appears to have been a great success in the Nelson District.

180. But that is not your experience in the other districts?—In Otago the best system introduced was the deferred-payment system under the three- and ten-years terms. Very successful settlement took place there under that system, and most of the settlers at the end of the ten years made it a freehold.

181. What about the Awarua Block?—That is the block up in the Rangitikei?

182. Yes?—I suppose it is mostly lease in perpetuity.

183. That is all gone, you have surveyed that: were you there at the ballot?—No, I left the district at the time the ballot took place; but the land is very good land and people would take that land up on any system in order to get it.

184. You advocate that a man should be allowed to take up from 1,000 to 3,000 acres of poor land: is that second-class land?—Yes.

185. What do you term second-class land?—Land that would carry if improved from one sheep to one and a half sheep to the acre, but in the case of a greater part of the Nelson land down in that country I do not think even if it were improved that it would carry any more.

186. What do you mean by “down there”?—Anywhere there up to the west coast in large blocks that we open up in the bush country.

187. What do you term “first-class land” in this district?—I would term “first-class land” land which would carry three sheep to the acre. Riwaka, Motueka, and I suppose a good part of the Waimea Plains could be termed “first-class land.”

188. Do you not think that the land put in the market at £1 is badly classed as first-class land?—I do not know that we put any in at £1 and classify it as first-class.

189. Taking the Awarua Block it is classed as first-class land close to the Ruahines. Do you consider that is a fair classification as first class as compared with the Waimea Plains which are also classed as first class?—No, I would not class any land which is lying under the Ruahines as first class, but any land about Taihape, Mangaweka, or Apiti I would feel inclined to classify as first-class land.

190. But it stands to reason that the land there and the land at Motueka cannot be compared in price. It is cheaper than the land at Motueka?—Yes, but it has been got into some state of cultivation.

191. Do you not think the whole system of the classification of land wants reorganizing?—I would rather not express an opinion about that.

192. You do not approve of the ballot system as it is at present?—I think so.

193. But not the second ballot. Have you read Mr. Humphries idea of a ballot?—Not that I can remember it.

194. Do you not think that a straight-out ballot would be better than having grouping under a second ballot?—I do not think the settlers care about the grouping of the sections by any means. Many who come here express themselves to that effect. A gentleman named Rutherford, who called here in connection with the forthcoming ballot in Marlborough, was trying to find out whether there was any small run there by itself. He said he did not care about going into the grouping system.

195. With regard to the occupation with right of purchase you advise there should be no transfer for fourteen years. Has there been much dummyism here under that system?—I do not think any great dummyism goes on in this district.

196. Can you give any reason for this 100,000 acres having not been taken up excepting that you think it might be a little too dear or that there was a want of roads?—We opened up cheap enough, because the greater part is opened at 6s. an acre, and you might put on from 1s. 6d. to 2s. an acre for loading for roads, but there is not the population to take it up nor the class of people.

197. Is it all bush?—All heavy rough bush.

198. Is it good for milling?—Yes, we have reserved large portions for milling purposes and also thousands of acres for forest-conservation.

199. Is the land you put on the market quite fit for milling?—It is all more or less bush, and no doubt milling-timber could be taken off some part of it. Some of this Westport Harbour Endowment land at Mokihinui which is going to be opened in a short time is fairly well bushed, and if we classed it as “no milling-timber” we could not open any at all, so we have to pick out the best of it.

200. You know the destruction of milling-timber which has gone on in the North Island: do you not think it is a great mistake to put this bush land into the market which ought to be reserved for milling purposes in future?—We do make in every block large reserves for milling purposes and also for forest-conservation. Our only trouble is that the Warden grants rights to settlers and bushfellers to go into these Government reserves, and we have lately had to take steps to prevent this being granted.

201. It appears then that the Warden’s Court overrules the Land Board in dealing with land to that extent?—Yes, it appears to be the rule in these goldfields. We have written to the Warden lately asking him not to grant rights. Of course he has replied. We have sent him maps, and he said if he knew the boundaries of these bush reserves he would not grant the rights. We have sent the maps down accordingly, but the practice has hitherto been that they were granted indiscriminately anywhere.

202. Is there none of this land fit for dairying?—If it were once in good grass it might be right enough. I dare say there may be portions of it fit for dairying, but I have no personal knowledge of the country.

203. Do you not think under the borrowing system the settlers would resent the inquisitiveness of the Board?—At present they are asked questions as to their financial capacity when proposing to take up land under the land-for-settlements system.

204. But later on they might resent it?—There are some who might be “touchy.”

205. You heard the evidence of Mr. Pattie?—Yes.

206. Is the land he referred to fit for milling?—I do not think there is any milling country in the vicinity of Mount Arthur.

207. Generally speaking, are the tenures satisfactory in this district?—Yes, I think so. There are no complaints.

208. Are the settlers satisfied?—No complaints have been received since I have been in the district.

209. Is the amount of arrears very small?—Yes, only about £34, I think.

210. *Mr. Paul.*] In your opinion roading is a great necessity for the settler?—Yes.

211. Do you think it is of equal importance or more importance than the tenure?—Yes, I believe

it is. I believe if good roads were given the question of tenure perhaps would not be a deciding-point with them.

212. Is there any settlement in your land district that is not fairly roaded?—Yes, I think there is a good deal that is not fairly roaded.

213. In dealing with compulsory residence, is the Board lenient in cases where the access is not good?—Yes, we deal with every case on its merits.

214. Does it not seem selfish that the miner, while wishing to have his rights protected when actually mining, should, when he takes up land as a settler, desire the freehold only?—There is no doubt about it that as soon as the miner becomes a settler on the land he takes an opposite view to what he did before.

215. Do I understand that you want to prevent townspeople getting on the land?—No, but I say that where they go in for land for the simple purpose of waiting till they get an increase in price offered to them, in which case they transfer to somebody else, and where they have no intention of settling on the land, I do not think they should be allowed to compete against people who are prepared to go on the land and make proper settlers.

216. In other words you would penalise all speculators and prevent them competing against genuine settlers?—Yes.

217. *Mr. McLennan.*] You said that the Warden grants licenses to cut timber?—Yes.

218. Who gets the fee?—The Crown.

219. Is it used in making roads?—No, it is simply paid into the consolidated revenue.

220. You say it is very hard to get tenants to take up this land that is being opened for settlement: do you think the want of roading has something to do with it?—Certainly. I think if roads were put into the country much of the land would go off.

221. *Mr. Anstey.*] What is the price of the land you have opened and for which there are no applicants?—I suppose it is from 6s. to 12s. 6d. per acre.

222. Have you any idea how much per acre it would cost to road that block?—I cannot say, unless I had all the papers and figures.

223. Supposing there was proper roading, would not that land bear a higher price?—Yes, once the roads were made. I do not think people would stick at the price if there was a decent road to get into the land.

224. With regard to these small grazing-runs you say they are very rapidly taken up?—Yes, but there are very few small grazing-runs here, but I think if they were to open up some of the coast land in larger areas it might go off under the small-grazing-run system.

225. How much of the Nelson district is within the mining-area?—Nearly the whole of it.

226. Do you think that any portions of it might be excluded from the mining area?—I think the land should be opened to the public where there are no indications of good gold or cause to suppose that gold exists.

NELSON, THURSDAY, 22ND JUNE, 1905.

JOHN KIRKPATRICK JOHNSTON examined.

1. *The Chairman.*] What are you?—I am a carpenter. I have lived here for about four years. I had a lease of 31 acres of land in the city boundary at one time. I have not got it at present.

2. Is there any particular point you wish to bring before the Commission?—In regard to the question that seems to have been asked all over the colony, I am at present secretary of the Trades and Labour Council, and during last September, in Wellington, I was one of a deputation that drew up the platform of the Labour League, and, speaking for the local council, I do not think one of them desires any breach of contract on the part of the Government. With regard to the existing leases, when the deputation met the Premier last September, he stated he had no intention of supporting anything with regard to the existing leases in the way of revaluation, and we all agreed. I am certain there was nothing on the order paper for the conference that sat in Wellington in regard to this same question—we had had no time to consider it. I do not think any statement coming from any labour man shows the feeling on that matter—especially in this city.

3. You are aware that it is published in the papers that it was passed?—That was at the conference. That was fetched up after the paper had been gone through. With regard to workmen's homes, there are a few blocks of land within fairly easy distance of this city which could be comfortably cut up into 3-acre sections for growing small fruit or poultry-farming. The rent at present for a decent house takes a day and a half's work to pay for it.

4. Do you know any particular block?—There is one, "Bishopdale," of 600 acres, I think it is O'Brien's, about two miles and a half out of town. The rent here for a five-roomed house is from 10s. to 11s.

5. We have been getting evidence from various places about workmen's homes, and at Epuni they have $\frac{1}{4}$ -acre sections, and they think it is quite enough for a man who does other work to look after?—There are a few men in this place who, if they could get a small block, could look after it in their broken time. I think 2 or 3 acres would not be too much—they would not need to cultivate the whole of it.

6. Is there any other point you would like to mention?—I am not altogether in favour of the lease in perpetuity as it stands at present, but a shorter lease with revaluation at the end of the lease for tenants' improvements. I worked in a place in New South Wales under a homestead lease of twenty-one years, with pre-emptive right to a certain part of it at the end of twenty-eight years.

7. I suppose you mean revaluation recurring at periods of twenty-eight years?—Yes, about that.

8. What was this land in New South Wales ?—It was what I suppose you would call second-class land here—they were 10,000-acre blocks.

9. *Mr. Johnston.*] We had evidence in Wellington, and an absolute assertion that the Trades and Labour Council that met in Wellington two months ago, represented twenty thousand workers, and that the majority were prepared to repudiate the present lease in perpetuity given by the Government: you assert that that is not true ?—Not with regard to Nelson—I was not a member of the meeting that met in Wellington last time.

10. You are perfectly certain that the workers in the country, so far as Nelson is concerned, would not repudiate the existing lease ?—No; they have no intention of so doing.

11. Then the motion at the Trades and Labour Council was not voted on by your council ?—No.

12. And your delegate had no authority to vote for that or against it ?—None whatever.

13. Do you think that is the case with regard to the majority of the councils ?—I cannot answer for others.

14. With regard to these village settlements, you want a larger area than $\frac{1}{4}$ or $\frac{1}{2}$ acre ?—There is a special thing in the district in regard to poultry, or anything like that—I believe anything up to 3 acres.

15. The area at the Hutt has been $\frac{1}{2}$ acre—but you want larger areas here ?—Something in which they could plant fruit. If the Government were to take a fairly large-sized block and cut this up into small blocks, say from 1 to 3 acres, and planted so that something could be done with the fruit export in having uniform planting.

16. Have you had experience of any place outside Nelson ?—I came from Invercargill, Victoria, and New South Wales. I have worked on farms from one end of the colony to the other, and lived in Christchurch for nine years.

17. What sized areas do they want in Christchurch for village homesteads ?—As large as they can get.

18. You say you are not in favour of the continuation of the lease in perpetuity ?—No.

19. You want revaluation at certain periods ?—Only for new leases—shorter leases, something under thirty years.

20. *Mr. Paul.*] Is there any suitable land within reasonable access of Nelson for these homes ?—Just the last few years there have been two or three farms sold privately and by auction, six miles away—at Stoke, for instance. It is fairly rich land, and some has been cut into small blocks.

21. Could it be got at a reasonable price ?—It was reasonable enough for the private speculator, and I think it would be reasonable enough for the Government.

22. Do you think if this land were acquired there would be a demand for it ?—I am certain of that; there are any amount of men in this town who are only too eager to have a small piece of land.

23. Are the rents very high in Nelson ?—Not extraordinarily.

24. Do you think it would be better for the average workman to get outside the city, and combine fruit-growing and poultry with his work ?—Yes, that is the object of fetching this forward, if we could get land at a reasonable price to suit them.

25. In considering this, you are considering those men in intermittent employment ?—Yes.

26. *Mr. McLennan.*] You say that your union did not have that question before them ?—The Trades and Labour Council, no.

27. Did you have a delegate there ?—We had two delegates.

28. Did they vote ?—I have not got the details of the voting.

29. Can you say whether they voted from seeing the papers ?—I do not think they had the details of the votes. If they voted for it, it was a catch vote, and they have gone without any authority from this council whatever.

30. Can you say whether it affects the present agitation for the freehold—this motion being carried in Wellington—whether it caused unrest amongst Crown tenants ?—I should think so.

31. In Auckland there was an area of land bought by the Government for workmen's cottages, and we were told that the land is not taken up. There were sixty sections, varying from $\frac{1}{4}$ to 3 acres, and only about sixteen taken up. Do you think this might apply to Nelson if the land is broken ?—I hardly know the conditions—what sort of soil

32. The soil was very fair, but the distance was very long—they could get to Auckland in half an hour by train ?—I think we could get closer to town than that.

33. Supposing the Government were to buy up an area of 600 acres for village settlements, would there be any chance of the Government having a lot of that land on their hands for a number of years ?—I do not say the whole 600 acres would be suitable for cutting up into 3-acre blocks.

34. And the rest would be lost ?—Not necessarily. It could be leased as a dairy-run, or for cows and sheep—say, half of it.

35. What sort of lease ?—Something under thirty years.

36. With revaluation at the expiration of the term ?—Yes; with tenant's right to all improvements that he put on the land himself.

37. *Mr. Anstey.*] Supposing you got 3-acre farms that you speak of for orchard, gardens, and so on, is there not sufficient for a man to do on the 3 acres ?—Yes. The object of every workman is to some day see himself out of the labour-market.

38. That is providing a different trade for him altogether ?—They are only workmen by force of circumstances, but they are anxious to get a piece of land and cultivate it.

39. You think it is necessary to build workmen's homes pure and simple ?—I should like to see workmen's homes in the city.

40. Supposing a section of land could be obtained and cut up into $\frac{1}{4}$ -acre sections for gardens, &c., do you think it would be a useful thing for workmen?—Yes.

41. Do you think it would go hand-in-hand with the 3 acres?—Yes.

42. We have heard in Epuni they have 3-acre sections—and they are too large—they have no time to cultivate it, and all that is required is a home?—Up to 3 acres would be best for Nelson.

43. Do you think smaller areas would be taken up?—There would be a demand for anything with a house on.

44. Would there be a number of workmen who would be able to build a house?—Yes.

45. Would they have the money to do it?—I would like to go further—it would be a paying investment for the Government to put houses up.

46. The workman can be advanced pound for pound up to £50—would there be many workmen take advantage of that—could they build a house fit to live in for £100?—There is a case I know where a contractor agreed to build a house for £175. They would not need to go for a four-roomed house for a start.

47. Are there many who would take advantage of the Act?—They would be glad to take advantage of that.

48. Supposing they took advantage of this system, are there many who would be able to build?—Yes, there are a lot of them.

49. Supposing they got $\frac{1}{4}$ -acre lease in perpetuity, and borrowed £50 from the Government?—Not lease in perpetuity—short leases.

50. Lease with revaluation?—Yes.

51. And a number would take advantage of that?—Yes.

52. And could build a house on £50?—Yes.

53. You spoke of shorter leases: do you think that in the back blocks a tenant could get the full value of his improvements—some of the improvements disappear, and you cannot see them years after?—A certain amount of improvements he would make to get production from, but the lasting improvements, I think, he ought to get the value of.

54. Do you think anybody would go into the back blocks if their improvements were to disappear?—I think there would be just as many go in for it—I think they would go on the land under any conditions—but the tenant's right to improvements is what I maintain. When a man takes up land he agrees to clear the land of the bush.

55. Do you think people would go into the back blocks with the understanding that improvements would disappear?—I did not say disappear.

56. Not the falling of bush?—The bush would be gone. It is to the tenant's advantage. He would make nothing out of it if he left the bush standing.

57. *Mr. McLennan.*] Can you say that there is no demand amongst the Trades and Labour Council to interfere with the present lease in perpetuity?—Yes; not the local Trades and Labour Council. I am not answering for the members of any other Trades and Labour Council.

PETER HIGGINS examined.

58. *The Chairman.*] What are you?—I am a farmer holding a little over 1,000 acres, of which I obtained most under the deferred-payment system.

59. Your land is freehold now?—All of it.

60. How long have you been here?—About twenty-four years.

61. Where is it?—Belgrove, twenty-five miles from Nelson.

62. Your land would be mostly grazing country?—Yes, the main portion of it.

63. Was it bush originally?—Yes, the main portion of it.

64. With regard to the Land Boards, have you had much to do with them?—I have had a little, not a great deal. But my opinion always has been that if the Land Boards were elected by the settlers, the settlers would know which were the men most fitted and understood the value and working of the land.

65. Do you think that Land Boards should be elected by the settlers?—Yes.

66. By those who elect the County Councils?—Yes.

67. Have you not thought that the landlord, which is the Minister of Lands in this case, might find it a little difficult to work with an elective Board?—I think, whether the man was a supporter of the Government or not, he would stand for the good of the country and the district, and it would not matter whether any particular Government was in office.

68. But do you not recognise that the Government for the time being represents the whole colony—they are in the position of a landlord?—That is so.

69. Then do you think a portion of them should be nominated?—Probably, if two were elected by the people and three nominated by the Government it might be a better plan.

70. Regarding tenure, which do you think is the most likely to promote the interests of the settler and the country, the freehold or the leasehold?—I think that the freehold is better for the country as a whole, and better for the individual, because it encourages him to press onward while he is young and do his best. That is what has done for me. I took up my land under the deferred payment, and I paid it off after about thirteen years.

71. Pretty well all Nelson has been taken up in that way?—Yes; under the deferred-payment system, and I have never heard one complaint against it in this district. The settlers have all got their homes and become fairly comfortable.

72. Do you know of any pressure of conditions that are felt irksome by the tenants?—I have not heard of them. I have asked several members of the Farmers' Union and they all seem to be of opinion that the freehold is the better system, or the lease with the right of purchase.

73. I understand that under the Nelson deferred payment there were no restrictions at all. You got the land and did what you liked with it?—Yes. We had no residence conditions. As a matter of fact, most of the people resided on their sections and set to work clearing and making the best use of the land as fast as they could.

74. You have a lot of poor land in the Nelson Province. Do you think the homestead system might be applied to it?—There is a good deal of it that you could not live on, being too rough, and you would want to go some distance away where you could get a few acres of level ground for a home and garden. It would be a miserable existence otherwise on this rough poor land.

75. I understand that if this land was opened up for nothing, or less than 5s., it would only be taken up advantageously by those who had a footing in the district, the present settlers?—Many would take up that land and reside perhaps eight or ten miles away where they could live comfortably. There are several doing that now.

76. Do you know anything about the system of loading land for roads?—No.

77. Do you know anything about the Advances to Settlers?—No, I have had nothing to do with it.

78. Is there any aggregation of farms going on here?—There has been a little, but very little, probably where an area has been rather too small and the holder has tried to get another section alongside to help him to make a living. No capitalist is buying land here.

79. *Mr. Johnston.*] What is the number in your branch of the Farmers' Union?—About seventy. It is the Wakefield Branch.

80. Are there any Crown tenants in it?—I do not think so.

81. Any tenants who are leaseholders?—I do not know, but I expect there would be a few.

82. What kind of bush was on your land?—Birch and red-pine. It is second-class country, and keeps from one to one and a half sheep to the acre.

83. Have you had any experience of the leasehold?—No, but in one form I have. The early settlers planted blackberries and these have overrun the country. They have spread at such a rate that if the land was held under perpetual lease the land would be so smothered up by the noxious weeds that it would not be worth anything to the leaseholders. In my case the cost of clearing land of these weeds is what the land brings me in, and if I had to pay every year more money than what it is bringing in I should feel inclined to let my payments run out and allow the land to go back to the Government. Thousands of acres will go back to the Government in this way.

84. If you had £3,000 or £4,000 of improvements, would you allow it to go back to the Government then?—There are a good many who would not put on improvements if the land was tied to the Government.

85. How do you know that?—I know the man who has the freehold is the best off.

86. Have you seen a Government leasehold?—I have seen a few of them.

87. Have you ever seen any land taken under the Land for Settlements Act?—No.

88. What Government leases have you seen?—College leases.

89. Have you ever seen a lease in perpetuity at all?—No.

90. Then it is only your own opinion you are giving?—That is what I came here for.

91. You made an assertion that a freeholder keeps his land in better condition than a leaseholder: can you give us any instance of that?—No, because I have not got a leasehold round me.

92. Have you been down to Timaru and Oamaru?—No.

93. Do you not think that in this request for the freehold it is a matter of whether it pays or not?—I do not think so. I think it is because a man feels more independent and knows there will be no revaluation afterwards.

94. Have the farmers made money in this district?—They have made a comfortable living, but not a great capital.

95. Are they fairly well off?—Yes.

96. Would you make the Education Boards sell their leasehold?—No.

97. Supposing the Government said, "Very well, we will take this land at its value and give you debentures," would you then insist on the Government giving the freehold to these people?—Then I think it would be better.

98. *Mr. Paul.*] Do you think it is likely that the endowments are increasing in value as the colony progresses?—Yes, I think they will.

99. Is not that a good reason for conserving them for the purpose for which they were set aside?—No. If the Government took the money for the land they would have that money used and the interest on it, but it would not give the settler the same encouragement as the freehold would.

100. How do you account for the fact that on some leases in the south—twenty-one years with the right of renewal—the improvements on the land are worth at least £2,000?—I suppose that man can claim compensation for improvements. If he cannot I think he is a very unwise man to put them there.

101. Does not that clearly show that the leaseholder can erect substantial improvements?—He can, and in some cases he would, but I understand that in the majority of cases they have not done much in the direction.

102. Take the lease in perpetuity: what is there in the conditions of that lease which prevents a man using the land to advantage?—There is nothing to prevent him, only I do not think he would feel the same interest in it, as he has to pay so much every year, as he would in the freehold.

103. Have you ever heard of a freehold with a mortgage?—Plenty of them.

104. Which, in your opinion, is best off, the man who is paying 4 per cent. on lease in perpetuity or a man who has a mortgage?—I would sooner have the mortgage. I have some hope of getting free from that as time goes on, but not from the other.

105. Have you studied the question of elective Land Boards?—If elected they would be men picked out from the country, and would know the wants of the country better than the men who are appointed from the towns and who have not the least idea of what back country is like.

106. Are there any such men on the Nelson Land Board?—There have been, but I do not think they are there now. We have two or three practical men on the Board now.

107. Is it not the fact that the men appointed to the Land Board are desirable men?—I do not think so.

108. Is it so everywhere?—I did not say that. There are some very desirable men on the Boards.

109. To remedy this you advocate their election by a section of the people?—A part of them.

110. Do you not think that every man, woman, and child in the colony has a right to say how the land of the colony shall be disposed of and administered?—I do not think that those living in the towns have the same right as those working on the land.

111. Is not the land something we have found here and should it not be looked on as a national inheritance in regard to which every one should have a voice as to its administration and disposal?—It is only reasonable as far as those who take an interest in it by working it are concerned.

112. You were not quite definite in answer to the question as to whether there was land here which could be settled under the homestead system. Do you think there is any land in Nelson that should be given away?—There is some, no doubt. I believe there is some down the Buller way, but I have not seen it.

113. *Mr. Anstey.*] On what franchise do you propose to elect the Land Boards?—Under the County Council system.

114. Do you think it would not be wise to elect them on the Farmers' Union franchise?—I do not think so.

115. They are all practical farmers?—Yes; but still they would be only a portion; but under the County Council all have to pay taxes whether they own land or not—that is, the ratepayers.

RICHARD EDWARD HARRIS examined.

116. *The Chairman.*] What are you?—I am the Crown Lands Ranger, and have held the position for four years and a half. I go over the whole of the district. There are about three hundred and fifty Crown tenants in the district. They are mostly under the lease in perpetuity with occupation-with-right-of-purchase and mining-district leases. Most of them are under the lease in perpetuity; they are getting on very well, and there is no dissatisfaction that I know of. The mining-district leases are restricted to 100 acres, and the lessees are quite satisfied with that area. The mining leases are for twenty-one years. Those lessees make a lot of improvements, just as much as the lessees under other tenures.

117. Is there much difficulty in the matter of roads: are there many of the settlers situated in very remote corners?—Some of them are very remote.

118. Is there much road-making going on?—A good lot of it.

119. Is it being done by loans under the Local Bodies Act or do they raise a loan themselves?—It is mostly by loans raised by the local bodies from the Government.

120. Are there any pastoral leases or small grazing-runs that come under your notice?—They are freehold.

121. It would be all bush originally?—Yes.

122. Are there any restrictions which bear hardly on the tenants?—No, I think they are very leniently dealt with.

123. *Mr. Johnston.*] Are the mining leases satisfactory to the tenants as well as to the Crown?—Yes, I think so.

124. Are noxious weeds very bad on the Government land?—No, they are worse on the freehold.

125. Is the blackberry bad on Government land?—It is bad in places.

126. Have any means been taken to eradicate it?—No.

127. Is there any Californian thistle there?—Very little.

128. Is the Noxious Weeds Act enforced?—In some places.

129. Would it ruin some settlers if it were enforced in their case?—Yes.

130. Has any land taken up from the Government under lease been forfeited or given up?—There may have been one or two leases given up.

131. The majority of the settlers are satisfied?—Yes, very well satisfied.

132. *Mr. Paul.*] Have some of the settlers bad roads to contend with in the Nelson District?—Yes.

133. Is the Land Board lenient in dealing with settlers in cases where no road access is given?—Yes.

134. You say, speaking generally, the tenants are fairly prosperous?—Yes.

135. *Mr. McLennan.*] Are the improvements made by lease-in-perpetuity tenants as good as those made by occupation-with-right-of-purchase tenants?—Yes.

CHARLES YATES FELL examined.

136. *The Chairman.*] What are you?—I am a solicitor, residing in Nelson, and I have been here since 1870.

137. Is there any particular matter you wish to bring before the Commission?—Yes, I am directed by the Council of the Nelson College Governors—of whom I am one, in fact, I think I am the oldest member of the Board of Governors, having been on the Board for about thirty years—to appear before

the Commission to-day and explain the position in regard to land in the Riwaka district held by the Board of Governors. The matter has been referred to more than once before this Commission, and the Board has asked me to appear and put the facts before the Commission. Here is a statement showing the Riwaka properties held by the College:—

Name.	Section.	Area.	Duration of Lease.	Annual Rent.
		Acres.		£ s. d.
Joseph A. Askew ...	35	51	14 years from 1st January, 1895	50 0 0
Charles Jenkins ...	36	51	10 " 1st June, 1900	50 0 0
Edward Wratten* ...	38, 39, 49	150	21 " " 1885	£81 for 14 years. £85 for 7 years.
T. E. G. Parkinson† ...	40	51	14 " " 1904	
Thomas Macmahon ...	Part 58	25	21 " 1st October, 1888	2 10 0

* £500 paid previous holder for transfer, 1898.

† £1,050 paid previous holder for transfer, 1905.

Those are the only dealings that have taken place that I am aware of. These lands have been held by various tenants—by the parents or predecessors of most of these people for a great number of years. The lands were originally swampy bush land, and have been let from time to time at rents which fairly took into consideration the quality of the land and the fact that improvements were necessary to bring the land into proper cultivation. Lately there has been a certain amount of agitation in the district for an alteration of the tenure so as to make the terms of the leases similar to those in the case of the Native trust land. The Governors have had the matter frequently before them, and last year a committee was appointed to consider the subject carefully, which they did. I was one of the members of that committee. We reported the result of our inquiries to the College Governors. The following letter was then sent by the Governors to one of the tenants: "Nelson College, Nelson, N.Z., College Office, 1st May, 1905.—Joseph A. Askew, Esq., Riwaka,—DEAR SIR,—With reference to the petition from yourself and others respecting the conditions of lease of College lands, and to the visit of a committee of the College Governors to Riwaka in November last, and their interview with the tenants of College lands there, I am directed to state that the report of the committee was submitted to the Council of Governors in November last, when it was referred to a later meeting. Before this meeting was held, the fire at the boys' college took place, and the many matters of urgency which arose from that event caused consideration of the report to be deferred. It has now, however, been adopted by the Council, and I am directed to state, should you in the future desire to make any permanent improvement on the property occupied by you, that upon first obtaining the consent of the Council to the particular work, and also satisfying them of the prime cost thereof, the Governors will, at the end of your term, pay to you the then value of such improvement, such value to be arrived at, if necessary, by arbitration. The Governors trust that this concession, which will be held as in force from the date of the visit of the committee, will meet your wishes.—Yours, &c., JAS. BLAIR, Secretary." I may say that the lands are all in exceedingly good condition, and the tenants when asked if they considered the terms such as that they would desire to give up the lease, replied that they would not think of it for a moment. I have heard it stated that a tenant was recently ejected without any improvements being allowed to him. That is incorrect. The only tenant who has lately changed at all was an old man named Boyce, who had probably been there between thirty and forty years, and his lease was transferred. His being ousted from his tenancy had nothing to do with us. I would like to point out that the rent paid, except in the case of Parkinson's lease, is less than 3 per cent. on the assessed value of the land. The College Governors do not consider that the terms are at all harsh. This, however, is an endowment for educational purposes. The whole of the receipts go towards the education of the youth of this part of the colony, and we consider that, as Governors, it is our duty to administer these endowments in as businesslike and efficient a way as possible. There has been a request made by three or four men to get more advantageous terms, but in the interests of the trust, we think we are administering the reserves to the best advantage.

138. You say that in leasing the College land and in fixing the rent, you take into consideration the fact that the tenants must effect certain improvements?—Yes.

139. I presume from that that the rents on that account are made considerably less than they otherwise would be?—Yes.

140. *Mr. Johnston.*] In regard to the evidence given by tenants from Motueka, do you practically repudiate the bulk of that evidence?—As far as it differs from what I have said, I most distinctly do. The proof of that is that these leases have been in exceedingly great demand, and high prices have been obtained for the goodwill.

141. You contemplated improvements being made on the land?—Yes.

142. Did you make any allowance for those improvements?—The compensation was only made in the nature of a low rental.

143. You reckoned that the rental you asked allowed the tenants to make full improvements on the land?—I think it is quite likely they may not have carefully considered the question of improvements, but, as a matter of fact, these leases have been held by members of the same family for very many years.

144. If they have put abnormal improvements on the land, do you not think they should have some allowance made for them?—I think the College Governors have treated them very fairly. The improvements have been gradually done during the past fifty years.

145. Would you advocate these endowments being revalued and bonds to that value handed to

the College Governors in place of the land; the land being taken over by the State?—Speaking for myself, I should say I would agree to it. I would rather have the money and invest it.

146. And gave you bonds bearing 4 and 5 per cent., so long as the interest is not reduced?—It would be a question of value.

147. Do you think it would be a good thing to do generally?—Do you mean all over Motueka.

148. All over the colony?—Well, I can only speak for my own district. I should have thought myself that so far as the *cestui que trusts* are concerned with this land in Motueka, it is an exceedingly improvident method so far as the *cestui que trusts* are concerned, the tenants do not deserve any consideration at all.

149. Can you give us any information about the Riwaka trust?—No.

150. Do you know “The Westland and Nelson Reserve Act, 1887”? Was that the Act you referred to?—Yes.

151. What is the area under that Act?—I do not know.

152. Who administers that Act?—The Public Trustee; the lease is granted by the Public Trustee.

153. Are there many of them?—I think a good many of them in this town. The Native reserves are all granted under this Act.

154. Any country lands?—I do not know. It would be easy to ascertain the reserves.

155. Do you approve of the Land Boards as at present constituted?—I think it has worked very well here. We have had good men here, and I think it has worked satisfactorily as far as my experience goes.

156. Are the settlers doing well in the Nelson Province?—Yes, I think so. Inland, we want the railway, and then there will be great changes in course of time. There is a great amount of Crown land between here and Murchison that could be cut up.

157. Have these Land Boards come under your notice at all?—I have been applied to for money.

158. Do the settlers have any difficulty in getting money?—Yes, great difficulty.

159. What rate of interest do they pay outside?—It is hard to get money at all under lease in perpetuity. The rate of interest on freeholds is from 5 to 6 per cent., but I would not lend on lease in perpetuity if I could help it.

160. Do you know if such loans are negotiated?—I suppose they are, but I do not think there are many of them.

161. Do you know the rate of interest that is asked?—They would be certain to ask more for the lease in perpetuity than for the freehold.

162. Do they ask 8 per cent.?—No, near to it—I should think from 6 to 6½ per cent.

163. *Mr. Paul.*] Is it the case that there is plenty of freehold to lend money on? Would that be one reason why they would not lend on the leasehold?—There is plenty of freehold, but that depends whether the market is tight or not. At the present time there is a sufficient supply of money, but I would not lend on lease in perpetuity if I could help it.

164. What would be unsatisfactory in that tenure as regards lending money?—The conditions under which the lease in perpetuity is held are unsatisfactory. The mortgagee, for instance, cannot hold more than a certain area. Supposing you lent on a dozen mortgages, and there was any difficulty, you would fall in.

165. Would you advocate the sale of endowments generally throughout the colony?—That is a large question, and I would not like to give an answer about it offhand.

166. Is it not likely that your land would increase in value as time goes on?—Yes, I dare say it will. It is not in a very good state of cultivation. It is not likely that it could be used for building purposes, it is too far away, and unless there was some other use to which the land could be put, I do not think it would be greatly improved. It is drained and in good grass, but so far as using the land for natural products, I do not think it would be much better. Some of the land is closely cultivated, mostly hops, raspberries, and small fruit. I do not know of any form of cultivation you could bring it under.

167. A large increase in the population would increase the price?—But still you cannot get a living unless there is a certain amount of land to get it from. These are not let in very large pieces—I think 150 acres is the biggest. Somewhere about half is flat land and the rest is hilly land and good for nothing but sheep.

168. Speaking of these goodwills, of course that £500 and £1,500 included improvements?—Yes.

169. Will there be any difficulty in the future of the Board of Governors giving these tenants the right of renewal with an arbitration rent?—I do not see why we should submit to arbitration—we should object. Why should our freewill in the matter be taken away from us? You cannot say that the rental as a rental has ever been other than a very low one, and the proof of it is in the fact that we are only getting about 3 per cent. on the capital value of the land now.

170. You know there is a wide divergence of opinion as to whether the rent there is a low one?—Treating it as a matter of common-sense, it is out of the question—there is no room to argue whether it is large or small. It is a very low rent.

171. You propose giving valuation for improvements that are erected?—Approved improvements.

172. Of course those improvements erected before you came to that conclusion are not to be considered?—Yes, we came to the conclusion that it is quite improper to do it.

173. As a general principle, do you not think the interests of education can be considered and the tenants fairly dealt with?—Certainly.

174. You contend that the tenants have been fairly dealt with, although some of the tenants say they have not?—Some tenants would never be satisfied. I understand Mr. Boyce is one of them—he does not understand the position. He is aggrieved because he has arrived at old age without having anything set apart.

175. What was the rate of interest on the capital value at the time these leases were granted?—I could not tell you.

176. Are you acquainted with Mr. Seedman's position as a tenant?—I do not think he is one of our tenants.

177. Anyhow, this position was put before the Commission, that Mr. Seedman got a section at a low rental and made extensive improvements and afterwards paid a rental of £35, and said that was as much as he could pay. Your Board offered it to him for £50, and eventually you got a tenant at £66. Now, on that land, Mr. Seedman spent £32 in improving 3 acres alone, and he felt very much aggrieved that he should have been treated as he was?—I do not think he had any ground for complaint. If you let a piece of ground to a man for £10,000 a year and he chooses to put improvements on it, that is his matter entirely, it has nothing to do with us. He has only got himself to thank for it.

178. Do you not think that the better way to work these endowments is to give valuation for improvements than letting the land at a low rental: you know when a man rents land he thinks he is paying enough for it whatever the rent may be?—He should not think so. In some cases that is so, but in this case it is not so. I think that some men in the past days put more improvements on the land than was warranted. We could not attempt the principle, that, because a man chooses to do that, therefore we should immediately allow him some money. We should be restrained from doing so.

179. You take up this position: that, had there been revaluation in the lease to allow for the value of improvements at the end of the term, the rental would have been much higher?—Certainly.

180. *Mr. McLennan.*] You say you have a few tenants in your time?—There are five.

181. Are they putting the same improvements on their holdings as the freehold alongside?—Hardly. When we inspected these properties in November last there were certain little neglects, such as hedges, and the house wanting painting, &c.

182. If they had valuation for their improvements when the lease expired, do you think that they would look after the property better?—Possibly. In that particular respect, we have now written to them to say that we will pay them for approved improvements.

183. Would you pay for improvements such as draining, fencing, and building?—It would depend upon the class of fencing, and the draining would be a permanent improvement and so would the building; but I should not pay a man for putting in a couple of acres of raspberries or a temporary crop of any kind, because the value of that crop may be utterly useless.

184. Would you pay valuation for new grasses?—I am not a farmer, but we should pay for whatever was a fair improvement.

185. *Mr. Anstey.*] What was the original rent paid for these sections?—I could not tell you without looking at the books.

186. They were much lower?—Yes.

187. What are your present leases of these town sections?—They are only let on temporary terms.

188. Do people build on them?—No.

189. Do they get any value for improvements at all?—No.

190. Do you think it is wise that that land should be allowed to remain idle—these town lots—for want of some security for the tenants?—We could easily make arrangements if anybody wanted it. The 17 acres behind the College is quite unsuitable for building—nobody wants it. We could make special arrangements about the land at the Toitoti Valley if it is necessary. The cottages let at so much per week.

191. Do the cottages belong to the Board of Governors?—Yes.

192. Who erected them?—I do not know—not the previous tenants.

193. Did the College Governors erect them?—No, I do not think they did. Some of these houses must have been fifty years old.

194. The College Board never paid for erecting them?—No.

195. Do they collect the rents?—Yes.

196. What security have the tenants on the sheep-country got?—A lease for so-many years.

197. With valuation for improvements?—No. He is not going to make any improvements.

198. Do you think that, provided you were giving suitable security, these rents you are now charging would be very much higher?—I really could not say. I should think they would. I can only judge from the fact that they are greatly in demand, and these two properties have been sold at a premium on the present rates.

199. There is a considerable quantity of valuable land of which your colleagues are trustees. It is vested for certain purposes, and you are only getting half the rents to which you are entitled?—The people say we are cruelly treating them by getting more than we should.

200. If you admit that you are taking rent for a cottage which you never built, you must be taking what does not belong to you?—I do not think so. It appears to me to be perfectly proper under the circumstances to take rent for the cottages.

201. You told us quite recently that the goodwill of a section was sold for £1,050, and that the rent was £72?—Yes.

202. Taking that £1,050 at 5 per cent., that and the rent would be £124 a year now?—Yes, I suppose it would.

203. That is if you had given the tenant security for his improvements?—Yes.

204. Do you not think you are neglecting the interest of your trust in letting your land upon such terms that no tenant can properly occupy it and pay a fair rent?—I do not admit that is so. It is a fair rent as the thing stands. It depends upon what you call security. If a man has a lease for say twenty-one years and he pays a low rent, he has security for improvements. That is the security which he is to get now. If we were going to charge him a rack-rental, that is another matter, but if he has a moderate rental he has security for improvements.

205. You have 800 acres of swamp land?—Yes.
206. That is let for sixty-eight years?—Yes.
207. Has he any security for his improvements?—I do not think so.
208. Supposing he drained it and had no value for improvements, he would be jumped up in his rent?—I suppose so. If he came to us and said that this land could be greatly improved—I am at present spending £1,000 on drainage, I have no doubt we would meet him.
209. Is it not a fact that you have only agreed to this since May—after the Land Commission commenced?—I would not say that.
210. Do you know of any valuation for improvements being given for planting fruit-trees?—We have not made any allowance. I do not think we would.
211. We had evidence from a man the other day that apparently it takes five years to get the trees into bearing, and then if he has to go out is he not entitled to the value of improvements?—He would not be. Mr. Boyce showed us his plantation of fruit-trees, gooseberries, and black currants. He said, “I could not get anything for these, they are worthless.” I asked him whether he thought it was a class of improvement for which he should be paid, and he said “No.”
212. You give a tenant valuation for improvements at the end of the lease, and if there is any value you would pay?—Yes. I do not know about apple-trees.
213. Do you think apple-trees should be included in the lease as one of those things for which value should be allowed?—No, I think we should give approved improvements.
214. Would you approve of apple-trees?—No, I should not.
215. You said you did not think the tenants deserved any consideration whatever. Do you think any kind of land should be administered by a body of men who consider that?—I do not mean that tenants should not be considered—we have given tenants very high consideration.
216. You say this trust is set aside for educating the youth of the colony: have any of the men on the land any rights?—Yes, distinct rights—they are shown in the deed they hold.
217. In giving tenants fresh leases would you be prepared to give them full valuation for their improvements under a right of renewal for their leases?—No, certainly not. I object to absolute right of renewal. Why should we be deprived of absolute ownership of land?
218. *Mr. Johnston.*] That Blenheim land is subject to very heavy floods?—Yes.

RUSSELL H. TURNER examined.

219. *The Chairman.*] What are you?—I am president of the Farmers' Union for Nelson district. I am a farmer and hold 116 acres of freehold at Redwood's Valley, about sixteen miles from Nelson. I have no leasehold.
220. Do you wish to bring any matter before the Commission?—I wish to defend the Farmers' Union from the imputation that we have been the originators of the agitation amongst the Crown tenants for the freehold. I deny that it originated with the union. The Crown tenants approached the Farmers' Union in the North Island and the matter was simply laid before us for our support. In our opinion, the leasehold system is not a satisfactory one for any man to work under; the freehold tenure is. We have an object-lesson of the evil effects of the leasing system in the condition of Ireland about forty years ago. There is an agitation in New Zealand for a Fair Rent Bill; in our opinion, if such a measure were passed into law it would have a very detrimental effect on the settlers of this colony.
221. *Mr. Johnston.*] Have you ever been in Ireland?—No.
222. Then your evidence on that point is valueless?—If the *Times* newspaper statements are valueless then I certainly agree with you.
223. Do you say that the Farmers' Union has never sent round a circular?—I did not say that; we were asked to support the request of the Crown tenants, it did not originate with the Farmers' Union.
224. Did the Farmers' Union have a circular printed and sent round to the Crown tenants?—As far as I know I do not think they did.
225. You are absolutely prepared to swear to that?—As far as I know.
226. I suppose you read Mr. Wilson's evidence?—I do not think so. I do not sit on the Wellington executive, we have one of our own here.
227. Did you not attend the delegates' colonial conference?—No.
228. You are simply giving evidence from a Nelson standpoint?—Yes.
229. And there was no circular sent round the Nelson section?—There was a circular sent to us asking us to support it.
230. Was not a copy of that circular sent everywhere?—I do not think it was sent to the Crown tenants.
231. Was it sent to the union to ask the Crown tenants to sign it?—Yes, I believe it was.
232. *Mr. Paul.*] It was the colonial executive of the Farmers' Union that brought this matter before your union?—Yes.
233. Would you prefer to be a tenant in Ireland or a leaseholder under the Crown in New Zealand?—I would prefer to have no land at all rather than to be a leaseholder to any one. I would rather be a tenant under the Crown in New Zealand than be a tenant in Ireland.
234. Then the leasehold is an improvement here?—Certainly.
235. *Mr. McLennan.*] How many Crown tenants are there in this district?—I could not say. I do not think there are many.
236. There are a few?—In connection with the petition sent to me you could not get a signature to it because we did not know where to look to for the tenants

237. Do you not think it rather strange seeing that the Commission was sitting here that not one of the Crown tenants has come forward to give evidence?—I cannot consider it strange because there has been such short notice given of the Commission.

238. But it is not only in Nelson but all through our travels that we find very few actual Crown tenants coming forward to give evidence. We do find, however, a great number of the Farmers' Union and those who are not directly interested in the lease at all coming forward: do you not consider that rather strange?—The farmers as a rule do not care to come out much and take part in public meetings. Of course the few who have come before you may be the exception.

239. Do you not think that if there was a great demand amongst the tenants for the freehold that they would come forward?—They might, but I could not say decidedly what farmers would do, they are a very curious body of men. I have had a good deal to do with them in connection with public meetings, and it is very hard to get them out.

240. You admit that this agitation for the freehold should first come from the Crown tenants themselves, independently of outsiders?—I quite agree with you that it should come from them, and I think it did come from them.

241. We have so far no proof of that, and it is a matter of surprise that so very few Crown tenants have come here to give evidence?—Would they be afraid to do so.

242. Why should they be afraid?—They might be afraid that they would be likely to lose their rights through offending any officials.

243. Do you mean to say that things have come to such a pitch that a man would be afraid to come forward and air his grievances when he was paying his rent and doing his improvements?—I could not say.

244. *Mr. Anstey.*] Did you get a request from the Crown tenants in your neighbourhood to advocate this freehold?—No. I do not know how many Crown tenants there are in Nelson.

245. Have you any Crown tenants in your union?—Not that I know of.

246. Does your union advocate the granting of the freehold to Crown tenants?—Yes, optionally.

247. You told us that the Farmers' Union did not commence the agitation, and you say you have no Crown tenants in your union, or that they have asked you to bring this matter up. Are not you as a member of the Farmers' Union doing the very thing you say the Crown tenants are doing?—We are supposed to be part and parcel of a union all over New Zealand, and what the North Island does we are requested to support, and what we do the North Island is expected to support.

248. You are acting on the request of the executive of the Farmers' Union in the North Island?—The executive did not bring me here. I came as president. The work of the union is left between the meetings to the president, and as I have seen in the papers so many statements that this charge has been made against us I wish to make our position clear. I also wanted to advocate the freehold tenure.

249. Did the Crown tenants request you to advocate the freehold?—No.

250. Did the executive of the Farmers' Union request you to do so?—The colonial executive sent the request to our executive.

ROBERT INKPEN KINGSLEY examined.

251. *The Chairman.*] What are you?—Diocesan Secretary and Treasurer of the Province of Nelson. I have held that position for twenty years. The Bishop, who is the trustee under the trust you have had evidence about recently, asked me to attend the Commission, and I have gathered a few facts which I will place before you. The trust was established under a Government grant of 1853, and I will hand in a paper containing a clause of the trust. It arose out of some correspondence between 1849 and 1851 between Sir George Grey, the then Governor, and Earl Grey, the Secretary of State for the Colonies. There are about 800 acres in the trust, and I will send you a list of the names of tenants and other particulars. You will observe that the rent is very low indeed, and that a large number of the leases are for twenty-one years, expiring in 1922. They were issued in 1901; that was the time when the trustees of their own freewill gave up to the tenants the improvements past and present. It is a question whether the trustees were justified in doing that, as they gave a very valuable consideration to the tenants thereby. The leases that existed before that, such as Mr. Wrett's, had no right to improvements. Mr. Wrett pays a rent of something like 3s. 5d. per acre, and he has never asked the trustees whether they would give him improvements. I fancy, if he did ask, that improvements will be allowed provided he does improve, but when I have been auditing the accounts and looking over the properties I had to draw the attention of the trustees to the fact that Mr. Wrett was allowing the blackberries to spread on his farm, so that I expect the trustees will ask him to carry out the terms of his lease and do away with those blackberries.

252. I think he told us he was leaving the farm?—His lease expires in 1906, and two years ago the trustees gave him notice that they required his land because it surrounds the orphanage to enable them to more effectually carry out the industrial training of the inmates, which they have to do as provided by the grant. I will give you a copy of the terms upon which they have the right to improvements.

253. *Mr. Paul.*] I understand that Mr. Wrett considers he has a grievance in having to go out of the place and forfeit his improvements. Do you consider that he got that land at a lower rental because valuation for improvements was not allowed?—I am not prepared to answer for the trustees; but some years ago, when I first became acquainted with the trust through my position, I considered that the rents were far too low, and that the trust was not being done full justice to. Mr. Wrett's property is principally stony land and the principal improvement on it is a wire fence.

254. Is there any objection to giving these tenants the right of renewal at an arbitration rent and valuation for improvements?—That is provided for in the lease, and I presume as the old leases fall

in they will be provided for in the same way as those which were renewed in 1901—that is, that they will be given valuation under the lease for all present improvements on the land.

255. *Mr. Anstey.*] What do you value Mr. Wrett's existing improvements at?—I should be sorry to hazard an opinion.

256. Are they worth £500?—No; they are merely large paddocks and sheep fencing.

257. Are they worth £200?—I think that would be far too much.

258. Are they worth £100?—Possibly; but I would not say. I should want to measure them first.

259. What were these reserves set aside for?—You will find that in the copy of the trust.

260. Is it a diocesan trust for general Church purposes?—No. Some properties were given to the religious bodies—some to the Wesleyans, some to the Roman Catholics, and some to the Church of England—to provide for the bringing-up of the destitute children of all races of Her Majesty's subjects in the Pacific islands. That was done because Earl Grey pointed out that, as the colony progressed, certain islands of the Pacific would come more or less under the Government of New Zealand; and some of the children from those islands would require to be sent to New Zealand to be trained in European habits. I think the Roman Catholics passed a Bill through the House in about 1859 by which they alienated their property from the original trust, and I believe the Wesleyans did the same, but I merely speak from memory.

261. Then, this land was set aside for the purpose of bringing up destitute children?—Yes.

262. Is that what you are doing with it?—We apply the revenue to the purposes of the orphanage.

263. Who administers it?—The Bishop of Nelson, the Rev. Mr. Kempthorne, and Archdeacon Grace. They are nominated by the Synod.

264. Was this land given by the State or by Sir George Grey personally?—Part was Native land, and only about 250 acres was given from Government land.

265. Who gave the Native land, the Government or the Natives?—The Government owned a bit.

266. You say that now all the tenants would have a sounder tenure?—Yes, as the old leases fall in.

267. But you say nearly all have fallen in?—Yes, a great number of them.

268. All the new leases are being granted for twenty-one years with valuation for improvements and right of renewal?—Right of renewal with valuation.

ANDREW T. MAGINNITY examined.

269. *The Chairman.*] You are a solicitor?—Yes, and Chairman of the School Commissioners for the Provincial District of Nelson. I have been here for the last fifteen years, and Chairman for the past four years. I wish to put before the Commission the form of lease which is adopted by the School Commissioners in this district, from which the Commission will see that there is a valuation for improvements and right of renewal if the terms of the lease are carried out by the lessees.

270. What improvements do you give valuation for?—General improvements, ascertained, of course, by arbitration—by a valuer appointed by the lessee, another by the lessor, who in turn appoints an umpire.

271. And they have a right of renewal?—Yes.

272. I suppose that under these terms your relations with your tenants have been satisfactory?—They have always been of the most friendly character. If any difficulty arises, or if there is a complaint from the tenant as to his rights, the Commissioners, if possible, or a portion of them, visit the property and endeavour to arrive at a satisfactory arrangement with the tenant.

273. How many tenants are there?—I cannot tell you; but I propose to have a list prepared and sent on to the Commission with particulars of our reserves, the rents, and to make it as full as possible. The term is generally for twenty-one years unless the Commissioners deem a shorter term advisable; but it is never less than fourteen years.

274. *Mr. Johnston.*] How many School Commissioners are there?—Three nominated by the Government and two by the Education Board.

275. Are those nominated by the Government practical farmers?—The Government nominees at present are Mr. Trask, who has a very good knowledge of land, Mr. Graham, M.H.R., and the Commissioner of Crown Lands.

276. There have been no complaints?—I do not know of any, or if there have been any they have been dealt with at once and relief afforded.

277. Would you advocate the revaluation of this land and the Government handing you bonds to equal value?—That is a large question which I would not like to answer without further consideration.

278. You would not advocate giving your tenants the right of acquiring the freehold?—Personally, I am strongly in favour of the freehold.

279. Have you any idea of the cost of your administration?—There is only the payment to the Secretary, and the country members attending meetings get mileage one way. I think the travelling expenses of the four members is 18s. a quarter for attending meetings.

280. What is your total income?—About £1,500 a year.

281. Are you protecting your land against the spread of noxious weeds and rabbits?—Yes.

282. *Mr. Anstey.*] You are not bound to give a renewal?—Every consideration is always given to the existing tenants as long as he has complied with the covenants of the lease, and the School Commissioners are always anxious to retain him.

283. I notice that you include the planting of trees amongst improvements: would you consider the planting of an orchard a permanent improvement?—I think the Commissioners would look upon that as an improvement.

284. Have you had any of these leases come up for renewal?—No, I do not think we have.

285. Do the valuations for improvements become excessive?—We have had no difficulty with our tenants.

CHARLES JAMES RUFFELL examined.

286. *The Chairman.*] What are you?—I am a dairy-farmer, and farm 40 acres at Wakapuaka, three miles from Nelson. I have been there for thirteen years. I rent my land from private individuals and am paying it off by instalments. I have been deputed by the Wakapuaka Branch of the Farmers' Union to give evidence, and I also desire to give evidence on my own account. I differ from the other members of the union on some questions and agree with them on others. The membership of our branch of the union last year was sixty-odd.

287. What do you desire to say on behalf of your branch of the union?—As mentioned by Mr. Turner a short time ago there is a genuine desire amongst the Nelson people for the option. Personally, I favour a leasehold for, say, fourteen years on certain conditions. I do not believe personally in the lease in perpetuity. I am in favour of the option. On this question there is some difference of opinion between myself and other members of the union. I think the lease in perpetuity is the very worst tenure existing in the colony to-day both for the Government and the people. As I understand the lease in perpetuity it exists for 999 years without revaluation. That I consider is utterly wrong to the people, and I think it will tend to bring about what in England resulted from the law of entail. It will mean that one individual of a family will hold the property, and others will have to seek fresh fields, so that it makes things no better for the people who say there is a hunger for the land. There is no doubt a hunger, but it does not apply to those who cause the cry. It really applies only to the farmers and their descendants. The 999-years lease is difficult to deal with in several ways—for instance, in the case of a person desirous of exchanging his section, and it is also difficult to raise money on it if a farmer wants money for the purpose of working his land. In view of the powers possessed by the Government to acquire estates there can be no objection to granting the freehold, because the Government can immediately acquire a property if they desire to do so, and they can dispose of it as they think proper. While the present conditions remain there is nothing in trying the nationalisation of the land. I might point out that quite recently the Government assisted a firm to control the product of the land to the detriment of the farmers. The Government, a short time ago, had dealings with a firm in respect to a cargo of oats for South Africa, and paid the man they dealt with 1s. 8d., whilst the farmers only got 1s. 1d. The Government could well have bought the oats direct. They bought horses direct, and there was nothing to prevent them also buying the oats direct. While capitalists are allowed to control the output of produce the question of whether land is sold or let is really a matter of indifference.

288. *Mr. Paul.*] You say the lease in perpetuity is a very bad bargain for the State?—Yes, and for the individual too.

289. How do you explain that?—I think it is bad for the individual because, unless a man is possessed of means, he will find it difficult to carry on.

290. Can you tell me how a man who has no means can buy the freehold?—I approve of the leasehold with the power to purchase.

291. Can you imagine any system of land-settlement which would give better terms than a 4-per-cent. rental on the capital value?—It is a good thing to a certain extent, but it does not apply altogether. The 999-years lease is practically making it more secure to the tenant—so much more secure that he practically cannot sell it—and it will descend from father to son right through to the end of the term.

292. You object to the lease in perpetuity because it is too secure?—I think it makes it more difficult to transfer.

293. *Mr. Anstey.*] You advocate the right of purchase?—Yes.

294. When all the land is freehold, how is the poor man to get on then?—I think every man should become his own valuator, and all properties up to £2,000 the Government should be entitled to acquire by paying 15 per cent. additional to the owner's valuation; and any person by applying to the Government should be able to claim the property at that value.

295. Then, if I value my farm you can go to the Government and buy it?—Yes; I think so, if you place your own valuation upon it.

BROTHER JESSE LAMMAS examined.

296. *The Chairman.*] What are you?—I am a farmer, and hold 480 acres freehold at Dovedale, and have been farming about thirty-six years. Last February, there was some land sold in that district that had been a Native reserve; it was put up to be balloted for. About thirty years ago, I applied for a part of that land, thinking to add it to my present holding, and thus make it a more compact property. The land was surveyed, and 180 acres was retained as a forest reserve, and this has lately been thrown open by ballot. I think that under this Act I should have had a prior right to take up the land.

The Chairman said this was a matter that did not come within the order of reference of the Commission, and therefore they could not deal with it.

SEDDON, FRIDAY, 23RD JUNE, 1905

JOHN GEORGE ARMSTRONG examined.

1. *The Chairman.*] What are you?—I am a settler; I have 983 acres lease in perpetuity.
2. Are you one of the original settlers here?—Yes.
3. You have been here about six years then?—Yes, six years last month.
4. I suppose you have dealings with the Land Board?—Yes, very little.

in they will be provided for in the same way as those which were renewed in 1901—that is, that they will be given valuation under the lease for all present improvements on the land.

255. *Mr. Anstey.*] What do you value Mr. Wrett's existing improvements at?—I should be sorry to hazard an opinion.

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284. Have you had any of these leases come up for renewal?—No, I do not think we have.

285. Do the valuations for improvements become excessive?—We have had no difficulty with our tenants.

32. That does not provide for any value for improvements ?—Very small.
33. And provides for no right of renewal ?—No
34. Do you think if they had right of renewal and fair valuation for improvements that would be an inducement to them to improve ?—It would be a great improvement on the present system.
35. Can you suggest anything better ?—No, I cannot. I think it would be very fair if they got full value for their improvements when the place was taken from them.
36. Do you think it would be wise to put in a clause compelling them to surface-sow certain portions in the year ?—No, I do not think so. There may be ground which wants it, and other land that would not take surface-sowing. That should be left to the man who takes the ground.
37. You said you were in favour of electing the Land Boards by parliamentary franchise ?—Yes.
38. Do you think it would be quite fair: probably you would have a lot of town men on the Land Board ?—I do not think you would. I do not think the town vote would swamp the country vote. I would not agree to have town men mostly on the Boards.
39. Is it not a more satisfactory way for the Government to nominate men to administer their own policy; they are responsible to the country for it. Supposing you were a landlord and had a large number of tenants, would you allow your tenants to elect their steward ?—There is a lot of wire-pulling done, and members have a favourite man who they put on the Land Board. It is a reward for their supporters, and very often the men have not fitness for the position, and I think the common-sense of the people would enable them to put good men on the Boards.
40. Do you think the people in the districts would have any knowledge of the man who they voted for, say, in Canterbury or Auckland ?—I think they would know the man. No one would have a chance of getting on the Board without being known publicly.
41. What are your relations with the existing Land Board ?—Very good, but I have had very little dealings with them as a matter of fact.
42. Are they suitable men ?—Some of them are and some of them are not.
43. *Mr. Paul.*] You consider Starborough a successful settlement ?—Yes.
44. Is there anything wrong with the co-operative system as a system, or is it in the supervision ?—I do not think the supervision could be better, but I do not think you could get a perfect way of working it. You have to put good and bad men together, you cannot get all men of one build, and very often the way they work the roads here, the men do not know what price they are going to get for the work till it is done. They do not know what price they are to get per yard for shifting the stuff. I know they have put days in their time-sheet when they have not been working at all, and afterwards said they made 16s. and 17s. a day, whereas, according to the time-sheet, it was 9s. and 10s. I am only speaking of an experience I heard of five or six years ago. It may be improved since, but I have no knowledge that it is so. I think it should be made known what price they are to get for shifting stuff. I know of one case here in particular of a fencing job, where the Government were giving a certain amount per chain for fencing the line in. Two good fencers came along and got a rough section, and knowing how to do the work they put it up much quicker, and they expected to get a better price, but when they sent in their time-sheet they were surprised to get the price cut down by 6d. a chain. They thought the Government beat them in this case, and they made up their minds to get at the Government next time and get a good section at the top price.
45. If you had a lease of a farm for twenty-one years, would you let it run to noxious weeds and neglect it generally ?—I would not like to, but in the last few years of the lease I would certainly take as much out of it as I could, so that the man putting my rent up and coming after me would not benefit by my work.
46. Would it pay you financially ?—Yes.
47. To neglect it for five or six years on the off-chance of getting a lower rent ?—Yes, I think so. The lower rent would pay to clear the land again.
48. Is that from your knowledge as a practical farmer ?—Yes, I have seen it done in private leases plenty of times.
49. As a practical farmer you say it would pay you to let the farm run to noxious weeds for six years, and a probable reduction in rent would pay you to clear that land again ?—You might crop it very badly and let it get foul of twitch or sorrel, and make the land look bad, and it is not very expensive to clear in this district.
50. Do you not think it would pay you better to farm the land well right through the lease ?—And have the satisfaction of paying a higher rent.
51. You might get a lower rent under revaluation ?—You might.
52. Take the Flaxbourne for instance, it is bought on the top market ?—The market might go higher in the next few years.
53. And might be lower ?—Yes.
54. And if there was revaluation the tenants would get it at a lower rent ?—And if it went higher they would have to pay a higher rent. It stands this way: that the good settler would get his rent put up, and nobody would want the land of the bad settler that allowed it to go wrong.
55. *Mr. Johnston.*] How long have you been in this district ?—Six years.
56. And that is your only knowledge of Marlborough ?—Yes.
57. Where were you before ?—Canterbury.
58. Are you a delegate from the Farmers' Union ?—No.
59. Do you belong to the branch ?—The branch is extinct here.
60. You say it would be better with the freehold ?—I said I thought the freehold would be better for the country. I do not think it makes much difference to the individual.
61. Do you know any freeholds without mortgages ?—Yes, plenty in Canterbury.
62. Extensive ?—Yes.

63. What district?—North Canterbury.

64. And the mortgages are on the larger areas?—Well, a big percentage. I think to a large extent where sales are taking place the new-comer generally has a mortgage, but the settlers who have been on the land for any number of years are not encumbered with mortgages.

65. Where are the runs you spoke about having gone back?—Up at Awatere. There is one that used to belong to the Assets Board. It is the run that Mr. Bell has got now.

66. You say it has gone back?—I cannot say from my own knowledge. I have a knowledge of the condition of the country at the present time.

67. Do you know how many sheep less it is carrying?—No, only from hearsay.

68. What weeds are prevalent here?—It is very free from weeds.

69. Is there any Californian thistle?—Scarcely any in Awatere, a little in Blenheim.

70. Any ragwort?—No.

71. One man sold out on one of the grazing-runs: do you know what he got for it?—No, only from hearsay.

72. Do you know what the value of his improvements were?—No, I could not say.

73. What is he reputed to have got?—Close on £1 an acre goodwill.

74. Have you got any idea of what the improvements were?—No, I could not say from memory. He told me himself that he had got close on £1 an acre goodwill.

ROBERT DAMPIER ATKINSON examined.

75. *The Chairman.*] What are you?—A settler holding 2,844 acres, part being on Starborough. I have a twenty-one years lease and the rent is £240 a year, less 10 per cent. I have held it not quite twelve months.

76. Did you pay any goodwill?—You would hardly expect a man to come from Canterbury and get a place on Starborough without paying goodwill. I am well satisfied with the place.

77. What do you wish to bring before the Commission?—I think the majority of the settlers here are in favour of acquiring the freehold. We want that privilege because we do not wish to have the pleasure of surrendering our lease and having it put up again in order to be able to acquire it as a freehold when we might be in a position to pay for it. My lease is for twenty-one years, and perhaps in the last five years—I do not say I would do it—I might stock it to three times the number it is able to carry in order to make the place look bad and so keep outsiders from competing with me for it when I wish to take it up again. The same remark applies to the noxious weed: if it is a freehold the man will take care to keep it in order, but if it is a leasehold I might allow the weeds to spread, and I do not think the authorities would bother about enforcing the Act. Consequently when the State put it up again they would not get anything like the rent they are getting now.

78. Supposing the Government granted you this option, would it be on the present capital value or on the value at the time you purchased?—It ought not to be on the present value because I reckon that after twenty-one years we have paid for the land, and I think it is only right the present occupier should have the privilege of renewing at the present rent. The improvements at the end of our lease might have cost £5,000, and we might be very lucky if we got £500 for them.

79. Supposing they offered you something which was quite inadequate, you could demand that the lease should be put up to arbitration?—That is going to cost us a few pounds.

80. It would not be much if your improvements were of a high value?—It would not be if we had the right of renewal at the end of our lease.

81. You practically have that under the small-grazing-run system?—I do not think it would be fair to charge it on the present value. The pioneer is entitled to a big concession over an outsider coming in later. Even if we buy a man out we have to pay him a certain amount of goodwill for improvements, and certainly after twenty-one years we shall not get the same amount for them that we paid.

82. Well, the pioneer has got his reward when he has sold out?—Yes, but we are entitled to that reward as well as he. I paid him for his improvements and for his goodwill, and I have as much right to also get paid for them as he has.

83. Supposing at the end of the twenty-one years the price of sheep and wool has gone up, then the goodwill will be worth a good deal more than what you paid for it, and if you sold out you would get a very good profit. On the other hand if prices went down the goodwill would disappear, and something more probably?—It just comes to the difference of buying when things are at the top and when things are of medium value. That is the difference between Starborough and Flaxbourne at present. Land has gone up to top price, and it remains to be seen how it will turn out. If sheep keep up, the tenants will be able to renew at the present rents of Flaxbourne, but if they drop to 4s. a head the Government will know all about it.

84. Have you had any experience of Land Boards?—There are good men on the Boards and inferior men, but I think the settlers ought to have the privilege of having their own representatives on a Board. A man in the Kaikoura district cannot know anything about the Starborough Settlement, and what would a man from Picton know about Kaikoura. There are two different classes of land in those districts, and a man has to have a certain amount of tact and common-sense to do his duty on the Land Board. I would suggest that we in this district should have a representative on the Board, and other parts should have representatives also.

85. Then in the case of the large districts like Canterbury you would have quite a little Parliament? Yes. Regarding Canterbury, my experience is that the Land Board there are not cognisant of what the majority of the settlers want or with the majority of the country runs, in fact they could not get to some of those runs. They know where they are on the map, but as for seeing them they could not do it.

86. I must correct you there. I know as a matter of fact that the Land Board which was in existence two or three years ago, traversed nearly every run in Canterbury?—I do not think they were ever on Askid Run, at the head of the Hurunui. I think they got as far as the lake when it came on to rain and they went across to the Lake Station. I happened to be there at the time.

87. My knowledge of some of those gentlemen—I refer to Mr. McMillan and others—was that they took nothing on trust, but were the most painstaking men?—Mr. McMillan had sufficient knowledge of that country that it was not necessary for him to go over it, because he had a lease of the adjoining station, the Lake.

88. Do you know of any pressure of conditions on the settlers?—I do not think there are any. If a man buys land he ought to be able to live on it.

89. *Mr. Anstey.*] On what terms do you wish to acquire the freehold of this land?—On the original valuation.

90. Supposing it has gone up in value, do you still wish to acquire it at its original value?—Yes.

91. Supposing it went down in value, would you be willing to be compelled to purchase it?—Yes, at the original value.

92. Do you think it would be fair to compel everybody to do that?—I do not think so. The option is what I ask for.

93. If the runs go up in value you want to buy, but if they go down in value you want the State to take the loss?—No, but I think we should have the option of acquiring the freehold.

94. Upon what franchise would you elect the Land Boards?—I think the different settlements ought to have their representatives on the Board. Starborough and Flaxbourne would have the one representative.

95. Do you mean the Crown tenants?—Yes.

96. You would not allow anybody but Crown tenants to vote for them?—No, the Crown tenant is as much entitled to representation on the Board as the freeholder and townspeople.

97. Supposing you were the owner of a large estate, would you allow the tenants to elect their own steward?—I would like them to elect their representative to meet me.

98. Who is going to elect the balance?—The Government are bound to elect some.

99. How many?—That requires thinking over. I would not name a special number.

100. *Mr. Paul.*] You have not thought over it sufficiently to say what would be the maximum or minimum number to sit on the Land Board?—I think we are entitled to one representative on the Board, the same as different districts are entitled to representatives on the Road Boards. Why should the members of the Land Board come from one district?

101. Are not the present members representing the whole district as nearly as possible?—They are fairly representative, or would be so, if outside influence was left out of it. Then there would be a big improvement.

102. Would you extend the elective principle to Magistrates and Judges?—Yes; if they were settlers on the different settlements.

103. You know quite well that the Land Boards are administrative bodies more than anything else and administer the law as they find it. The Magistrates and Judges also administer the law as they find it. Do you think it would be well to elect the Stipendiary Magistrates?—One of them, where there are several on a body for a large district.

104. You advocate the option of the freehold being given to Crown tenants, and you admit that Starborough is a success and Flaxbourne may be a success or a failure. Do you think it would be detrimental to the best interests of the State if, supposing the freehold were granted, Starborough was all bought up and Flaxbourne was left on the hands of the Government?—Certainly not.

105. You think it is quite right that the tenants should buy all the good bargains and leave the bad bargains on the hands of the State?—I do not. The system of grouping encourages that.

106. What would you suggest to get over that difficulty?—If the Government had taken Flaxbourne years ago, when it was offered to them at a decent price, there would not be the cry now.

107. We have to take the position exactly as we find it. Starborough and Flaxbourne belong to the Government, and we want to safeguard the interests of the State. Can you suggest any method to get over the difficulty?—Yes, I can; that the Government should be mighty cautious what estates they purchase.

108. But it is not a matter of what the Government should do in the future. We have certain estates on our hands, Flaxbourne and Starborough are two of them: you can see the difficulty that, if the option is given, Starborough might be all purchased and Flaxbourne left on the hands of the State; and the tendency might be that the rents would have to be reduced on Flaxbourne?—Yes, undoubtedly; and why should they not be reduced, because through the mismanagement of the Government there has been a considerable amount added to the price of Flaxbourne per acre.

109. Do you think it would be wise to overstock your small grazing-run in the last three years on the off-chance of getting a low rent at the renewal of the lease?—Yes.

110. Supposing a practical grazier came along and found your place overstocked he would know exactly the position and you might lose on the transaction?—I would like to see the man who would go across my country and tell me how many sheep I have got on it.

111. If you increased the number of members of the Land Board, would you increase the salaries?—I would make the position honorary and do away with the salaries altogether.

112. *Mr. Johnston.*] How long have you been in possession of this run?—About twelve months.

113. Where did you come from?—Cust, in Canterbury.

114. What did you pay for the goodwill?—I never worked it out.

115. What did you pay for the run?—About £5,000 with the law expenses.

116. What improvements are on it?—I could not tell you from memory. I have not got my book with me.

117. Do you mean to say you can give me no idea of the value of the improvements?—Something about £1,500.

118. *The Chairman.*] Did that include stock?—Yes, everything; lock, stock, and barrel.

119. *Mr. Johnston.*] What stock do you carry?—Two thousand two hundred.

120. Is that your average carrying-capacity or your present carrying-capacity?—I have only been there about twelve months. That is all I have on the place now.

121. What do you shear?—Two thousand six hundred; but those were dry sheep, and nearly all of mine are wet which makes a difference.

122. You practically said that you would be dishonest enough to let your farm go to weeds for the purpose of having the rent reduced or having it revalued?—I did not say that I would do it, but I could do it and ought to do it to protect myself.

123. That would be honest?—It is all fish that comes to a good many nets, and I do not suppose it makes any difference in the case of mine.

124. When you bought this run you knew the tenure and what you were doing?—Yes.

125. You know the value of a run?—I have a fair idea.

126. You bought it with the expectation of being able to get your capital out of it before the end of the term?—I did not expect to lose anything on it.

127. You did not pay your £5,000 with the expectation of not being able to get it at the end of your lease?—Certainly not; I expected to get that or the equivalent before my lease was up.

128. Then the run must be worth a little bit more than you paid for it?—It just depends on how it is improved. Surface-sowing will improve it and will make it carry more sheep.

129. At the end of your lease you hope to get £5,000, including your stock?—Yes.

130. And interest and compound interest to make your investment secure?—Yes.

131. Then your run is worth a little bit more than 1s. 9d. an acre now?—It is as long as sheep keep up.

132. You have taken the risk of years now as to whether sheep will keep up, or you would not have given this rent?—I have a chance of getting that back in the fifteen years to run.

133. If you include the goodwill and the interest and compound interest on it, you will find that it will run out to a little more than 1s. 9d. an acre for the term of your lease?—Undoubtedly.

134. Therefore, your land is worth a little more than 1s. 9d. an acre at present?—I dare say it is worth more than that.

135. Well, you want to get a run out of the Government at the capital value?—I want to make it freehold.

136. Because it pays you well?—I do not know why you say that. Naturally, every British subject wishes to have his own house a freehold.

137. Would you have been able to take this run up for cash if it had been a freehold?—Yes.

138. Why did you not buy a freehold run?—Because everything is at the top of the tree now.

139. You thought it better business to take up a lease in perpetuity and then turn round and ask for the freehold?—No, sir. Mine is only a twenty-one-years small grazing-run.

140. You make the assertion that outside influence is being used on the Land Boards: can you tell me within your knowledge where such has been the case?—I did not say any particular member.

141. You made the statement and you are on your oath. Let us know where outside influence has been used?—I meant to say that the appointments to the Land Board did not altogether seem to be in keeping with the position that the Land Board is held up to in the district. It appears that the Government appoint so many to the different districts. I do not say it for a fact, but we all understand, and are left to suppose, that there is a certain amount of influence brought to bear to get certain men appointed as members of the Board and on the men who are appointed.

142. Have you ever known of any one instance of a member of a Land Board misusing his position on the Board?—No.

HENRY LISSAMAN examined.

143. *The Chairman.*] What are you?—A settler holding 3,077 acres on Starborough. I am paying 1s. 9d. an acre rent and have been there six years, that is, from the start. I find it suitable for my purpose. I am satisfied with the tenure, but I think we should have the privilege of making it a freehold under the option of purchase. I think the present tenure is a fair one, but I prefer the option.

144. Have you any views as to the constitution of Land Boards?—I have had very little experience of them excepting the last six years here. They have dealt fairly with me, but I think we should have a representative on the Board and that it should be partly nominated and partly elected.

145. What franchise would you elect them on?—I think the settlers should have the election of a representative as settlers.

146. You do not mean the Crown tenants only?—No, the country settlers. You could have it as a Road Board election—that is, the country ratepayers.

147. Do you find the residence conditions at all irksome?—No.

148. You have very little to do with the Crown Lands Ranger?—He makes his periodical visits.

149. Have you any weeds on your place?—Yes; sweetbriar, which is the pest of the Awatere.

150. Have you tried to keep it down?—Yes, when I can get labour, but it is very hard to get labour when you want it. I have been trying to get men for the last three months.

151. Is the sweetbriar extending or being kept in check?—It is extending. I think the Government should offer a decent bonus to any one who can find the means of eradicating it. The £500 which they offer at the present time is absurdly low, and if it were made something like £50,000 it would pay the Government and the individual who found the means of eradicating it. It goes up the gullies to the tops of the hills wherever there is any dampness.

152. Could it be eradicated by continually cutting it?—We have tried it, but it is only fairly successful. The roots will come up again. We find now that there is a kind of red blight on it, which is smothering the trees and killing a great portion. Those it does not kill it weakens and they cannot get the growth.

153. Your remark implies that cutting is a good thing?—Yes, provided it is done at the right time—that is, when the plant is in bloom.

154. It is disseminated a good deal by the birds?—Birds, pigs, cattle. Sheep less than anything. The cattle are very bad.

155. *Mr. McLennan.*] Would you be prepared to pay for having the privilege of the option of the freehold?—Yes; if my country was worth more. If it was worth less I should expect the Government to reduce it.

156. Supposing you were given full value for your improvements, would you be prepared to have the section put up to ballot so that others could compete with you for it?—I do not think so. I would sooner stick to my lease, or pay the extra, and have the option of taking the freehold.

157. Perhaps others would like the option of taking it also?—We have had the labour of making it what it is, and therefore we should have the offer of the first chance.

158. What improvements do you make?—There is one you never get any compensation for and that is what they call the unearned increment, but it is not all unearned. We have to break this country in and a lot of the increased value we have made ourselves. It is a thing you cannot put a valuation on. When we took this country up we were told by a great many people that we were mad to do so, and we should be done for in less than five years; if we liked to put our money into it and to make it what it is now surely we should have something of the increased value.

159. Do you not think some of your neighbours have helped to make that increased value?—We were told that it was going to be a rank failure, and I was told I was a fool for taking it up, and I was given so many years to leave it. Everywhere my neighbours have had what I had myself.

160. At the present time, you have no claim for the option of the freehold?—No.

161. Seeing that it is of more value to you to have the option, should you not be prepared to pay something for the privileges?—No, I do not think we should go into competition with others. I think we should have the option of taking it up.

162. Have you had anything to do with the Advances to Settlers Office?—No.

163. Do you think it is advisable to give Crown tenants full control of their farms after residing for, say, ten years, and making certain improvements?—I think they should have full control before ten years.

164. *Mr. Anstey.*] In what way would you like the additional value assessed if you acquired the freehold?—It would be a matter to be settled by arbitration.

165. Why do you particularly wish the freehold?—It is better for the tenant and better for the country.

166. Do you think all tenants should have the option of the freehold?—Certainly.

167. Would that apply to all descriptions of lease?—I think so.

168. On what terms—capitalising at 5 per cent.?—Yes, that would do.

169. *Mr. Paul.*] Is the Starborough Settlement a success?—Yes.

170. Have you given much consideration to the question of giving the freehold to tenants on educational endowments?—I have not studied that question sufficiently, but I am in favour of the country being freehold.

171. At present it would pay the State to give the freehold of these small grazing-runs?—Yes, up to a limited area.

172. Do you think that all members of Land Boards should be honorary members?—I think they should be paid for their services.

173. *Mr. Johnston.*] You have faith in your land if you are prepared to buy it?—Yes.

174. What is your carrying-capacity?—Two thousand four hundred sheep.

175. Any cattle?—About twenty head of cattle.

176. Have you done much improvements?—I have made improvements.

177. Have they turned out satisfactory?—Yes.

178. Are you carrying more sheep now than when you went on to the land?—No.

179. Then your improvements have not assisted you to carry more sheep?—No, one reason is the country had had a considerable spell before I went on to it.

180. Do you think the country has gone back?—No.

181. When you took up the land were you satisfied with the tenure?—Yes.

182. How long is it since you have come to the conclusion that you would like the freehold?—I think it dawned upon me as soon as I took it up that I would like to have the freehold.

183. You can make more money out of the freehold than out of the leasehold?—I should work my land differently if it were freehold.

184. But it would be more advantageous to you because you could make more money out of it?—Yes, to a great extent. I am, however, satisfied with my tenure, but I would prefer the freehold. You do not feel in the case of the leasehold that you have a secure tenure.

185. Did you not have that feeling before you took up your land?—Yes.

186. But it has come on you of late again?—Yes, and a lot of us have that feeling.

187. Why?—Because they are always talking of revaluation.

188. They could not revalue except at the termination of the lease?—They can pass an Act of Parliament and upset our lease at any time.

189. You do not think the Government are going to repudiate their own leases?—I do.

190. Then would they not just as likely repudiate the freehold?—They have done so already.

191. Then what does it matter if they are going to repudiate both?—I do not believe that the Crown tenants of Starborough are going to have their leases at the present rents for 999 years.

192. You really believe that the Government are going to repudiate their contract in that respect?—Yes, and that is the opinion of many of us.

193. With respect to what is called the unearned increment, do you think you are entitled to that?—I think I am entitled to a portion of it.

194. Would you give the large runholders the freehold?—No.

195. Why should you give the small runholders the freehold and not the large runholders?—I understand the policy of the Government is to cut up the large runs where that is desirable.

196. You say your land would be better farmed under freehold than under leasehold?—Yes, I think I should look further ahead of me.

ALEXANDER FLEMING examined.

197. *The Chairman.*] What are you?—I am a settler, residing at Starborough. My wife and I hold a little over 1,000 acres, and our rent is for one portion 3s. 2d., and for another portion 2s. 9d. I have been there for six years.

198. Are you satisfied with your land and with your tenure?—I am satisfied as long as I am left alone. If I were asked if I would take the freehold I would agree to do so, but I have not been agitating for it.

199. Have you any fear of revaluation interfering with your tenure?—Not a bit.

200. Are you satisfied with the Land Board?—I have no complaints to make against it, but I think the Crown tenants should elect two members of it.

201. Upon what franchise?—The Crown tenants to elect two and the Government nominate two.

202. Have you any objections to the residence conditions?—No, but I think that in some of the back blocks where a man has a family, he should be exempt from residence for a certain time as long as he is a *bonâ fide* settler.

203. Would you give the Land Board discretion to say when the restrictions should be relaxed?—Yes.

204. Have you any experience of the working of the Advances to Settlers Office?—I have a small loan. They did not give me half enough, and there was more trouble in getting than what it was worth.

205. What interest did you pay?—Four and a half per cent.

206. Have you found that borrowing privately you cannot get money so cheaply?—That is so, but the expenses in connection with the Advances to Settlers loan in the case of a small sum are too high.

207. *Mr. McLennan.*] What is your opinion in regard to cropping restrictions?—I am pleased enough in my own case, but in the case of good land, I think there ought to be different cropping-restrictions.

208. Do you think it would be advisable to give tenants a free hand after making certain improvements and residing a certain number of years on the property?—Yes, I think that after residing six or seven years, and after making substantial improvements, they should be given a free hand.

209. In your opinion, would 33 per cent. of the capital value be sufficient improvements?—No, I should say 50 per cent.

210. *Mr. Paul.*] Have you had any experience of borrowing privately?—Yes, I have borrowed money privately, but not on improvements. In the case of the loan from the Advances to Settlers Office, the cost of a small loan was so great that it was not worth the trouble.

211. You cannot tell us the total amount of your costs?—No.

212. Did you borrow privately on land?—No.

213. You cannot say which is the more moderate cost—that of borrowing privately or from the Advances to Settlers Office?—I believe that things are now better in regard to borrowing from the Advances to Settlers Office.

214. *Mr. Johnston.*] In regard to members of the Land Board, would you be satisfied if the Government nominate one of their tenants as representing holders of lease in perpetuity?—Yes.

215. As long as you have a representative of the class of tenure you hold you would be satisfied?—Yes.

DAVID FORSYTH FLEMING examined.

216. *The Chairman.*] What are you?—I am a settler at Starborough, and hold about 1,000 acres, and I am paying 2s. 10½d. for one portion, and 3s. 3d. for the other. My brother and I have been there from the beginning.

217. Do you generally concur in what your brother has said?—Yes, generally speaking.

218. Do you wish to supplement what he said?—We have no claim for the freehold, but I would like to have the option of the freehold, paying off the money as we can; and if we cannot get the freehold, I would like the opportunity of reducing the capital value of it so as to make the rent smaller.

219. While you say that, I presume you are not so extremely anxious for the freehold that you would pay any more for it?—No.

220. You think that the capital value on which you are paying rent is quite enough?—Yes, I think so, taking it over a number of years.

221. How are you off for roads to your place?—We have roads now, but we have most of the heavy work done. I think that roads and railways should be pushed on ahead of settlement. For the first two years before the roads are any good most of the work is done—you have to sledge and pack. If the roads were made beforehand it would be a benefit to the settler. When the Government gazetted the land to be taken at Flaxbourne they should have begun the roads then and the settlers could have got on to it, but now they will have to wait.

222. Are your relations with the Land Board satisfactory?—Yes.

223. Do you agree with your brother's views that the settlers might be represented by one member by nomination or election?—I do not know that I would. As long as we get good practical men who understand the land, I do not think I would alter the system. If I was a landlord, I would not like to be dictated to by my tenants.

224. Have you had any experience of the Advances to Settlers Office?—I am of the same opinion as my brother. It was rather expensive for the amount we got at that time.

225. I believe he did remark that it is a little better now?—Yes, I hear it is.

226. Have you found any difficulty in regard to the working of the ballot system?—No. I do not believe in this grouping system. I think if they could do away with the putting-down of a deposit it would be better. With five hundred or six hundred applicants each one has to put down a deposit, and I think if the successful tenant did that it would be sufficient and save a lot of trouble and inconvenience.

227. It is a protection for the *bonâ fide* settler?—They are all examined before the ballot, and they could weed them out then. It is only the inconvenience of the settlers living at a distance sending money, and I have heard of a large number who do not like it. I think it is unnecessary trouble.

228. *Mr. Anstey.*] How are the cropping conditions?—They are all right so far as I am concerned, for all the cropping I do.

229. Have you had any dealings with the Land Board?—Very little.

230. Have your relations always been satisfactory?—Yes, very satisfactory indeed.

231. Are the members practical farmers?—Some of them are—not all of them.

232. Have you been over the Flaxbourne Estate?—Yes, the other day.

233. Do you know what rents are charged on the different sections?—Not exactly—I know the general run of them.

234. Are they high or reasonable in your opinion?—They are reasonable enough taking them at this time, but taking them for the last ten years I think they are very high.

235. How are the sections divided—are they in suitable areas?—I would not have cut them so small.

236. You think the small ones are too small?—Yes.

237. What size do you think is a fair one?—It depends on the quality of the land. I might say that I believe, instead of limiting the area, they should make it a monetary value of the land—if it is £10-an-acre land they should make it a monetary limit instead of an acreage limit.

238. Do you think 50, 70, 80, or 90 acres are suitable for that class of land?—No, I do not think so where they are—they are too far away.

239. What about the grazing-runs, how many sheep would the grazing-runs carry in order to give a man a living?—I would not like to take one that would not carry a thousand sheep.

240. And what size do you think the cultivable land ought to be?—It all depends on the quality of the land. Of course 100 acres of some land would be a good farm, and 500 acres of some other land would not be.

241. Is there any land at Flaxbourne good enough at 100 acres?—No, not for a man to make a living.

242. Should the average be less than 300 acres for cultivable land?—No, I think 300 acres is small enough for the quality of the land at Flaxbourne.

243. *Mr. Paul.*] Do you know what the expenses were for obtaining that loan?—No, I do not. We could have got it for 7 per cent.

244. *Mr. Johnston.*] You say the rents in Starborough are too high?—No, I did not say so.

245. Do you know if any settlers here borrow from the local money-lending firms on their lease-in-perpetuity leases?—I do not know.

246. You have not had any experience of it?—No.

247. You said you thought the Flaxbourne areas are too small?—Some of them are—I do not say all of them are.

248. These small sections are too small. *Mr. Anstey* asked you whether you did not think there should be about 300 acres. Do you not think a farmer does better on a fair-sized area than on a large area?—Yes, I think so. I think it is better to have one or two good settlers than one struggling along.

FREDERICK SAMUEL BARNES examined.

249. *The Chairman.*] Are you a farmer in Starborough?—Yes, and between myself and my wife we hold something over 1,000 acres.

250. What sections have you?—Sections 10 and 12, Block XXII.

251. Are you the original settler?—Yes.

252. What rent are you paying for section 10?—4s. 3d.

253. And Section 12?—3s.

254. Are you satisfied with your land and tenure?—Yes, I am quite satisfied.

255. What is your opinion about the constitution of the Land Boards?—I am quite satisfied with the Land Board. I have no fault to find with it.

256. And in the matter of the tenure you are quite satisfied as regards your own personal experience?—Yes.

257. I suppose you would not refuse the freehold if it was offered to you?—No.

258. Have you had any experience of the Advances to Settlers Office?—No.

259. And with regard to the working of the ballot system, there was no difficulty in your case?—No, no difficulty.

260. Have you got any roads?—Yes.

261. Do you feel the restrictions grievous?—I object to the cropping restrictions. I think the conditions are too hard and fast.

262. Do you feel that if you wished you should have more than two white crops before putting down a crop in grass?—Yes, I think in some cases a man should be allowed more than two white crops.
263. Do you find that in your own farm, if you were free to do what you liked, you would have gone in for more white crops?—Yes.
264. Did you apply to the Land Board to allow you to do so?—Yes.
265. Did they refuse?—No.
266. Then you were allowed to do it?—Yes.
267. Did you think it any humiliation to go to the Land Board and ask?—No. I think it would be better if it was left to the discretion of the Ranger, and after a man had been on it for some time to crop it as he liked. It would seem more like as if the land was your own and you were the farmer on it and not the Crown.
268. Is there anything you would like to mention to the Commission?—No, nothing else.
269. *Mr. McLennan.*] In your opinion would it not be desirable that the tenants should have a free hand after making a certain amount of improvements, and after residing on the land for ten years?—Ten years is rather too long a term.
270. By that time they would be thorough good farmers supposing they were not farmers when they started—they would learn a lot in that time?—Yes.
271. They would learn sufficient so that the Government would have confidence in them?—I do not think it would take ten years to teach a man to farm his land.
272. It is better to be on the right side?—Yes, possibly.
273. Would you farm your land if you had a free hand just as well as if it were your own?—Yes.
274. You do not make any difference if it had been freehold?—None at all.
275. *Mr. Anstey.*] How are the settlers doing—are they, generally speaking, prosperous?—I think fairly prosperous.
276. *Mr. Johnston.*] What is your carrying-capacity?—I crop a bit and carry about seven hundred or eight hundred sheep.
277. On both places?—Yes.
278. How much do you crop?—Three hundred acres.
279. *Mr. McLennan.*] What kind of crop do you grow?—Principally barley.
280. Do you grow any wheat?—Yes, a little.
281. How does it do?—Pretty well.
282. How many bushels to the acre?—You cannot depend on more than twenty-five.
283. What about oats?—There is very little oats threshed in this district.
284. Do you put the barley in one furrow or fallow the ground?—I prefer to put it in one furrow. You would not get a crop at all if you fallowed—it would go into straw.
285. *Mr. Johnston.*] What is the yield of barley?—About 30 bushels.

GEORGE MCLEOD GUNN examined.

286. *The Chairman.*] What are you?—A farmer in this district, and hold 434 acres in the Starborough Settlement.
287. What section?—Section 8, Block XXII.
288. What rent are you paying?—6s. 3d.
289. Are you an original settler?—Yes, and have been here six years.
290. Are you satisfied with the section and with the tenure?—Yes.
291. You have been here during the hearing of the evidence?—I have.
292. You have heard the general remarks of the settlers, and is there any particular point you wish to mention?—Yes, in regard to cropping restrictions. After a tenant has been on a section a number of years he should be given a certain amount of discretionary power.
293. Did you ever find any necessity to depart from the conditions?—Of course, as it is laid down in the conditions, you take two white crops and one green crop. The farmers prefer to have sometimes one white crop, then a green crop, and then a white crop.
294. Have you approached the Land Board with regard to that?—No, I have not.
295. You heard what Mr. Barnes said on that point?—I am quite in accord with Mr. Barnes in that respect.
296. Do you agree with the present constitution of the Land Boards?—Yes, I think so. I do not think the number of members wants to be increased—it is only an expense to the country.
297. Have you any decided views about the tenure—what sort of tenure is best for the country as a rule?—Everybody I suppose would like the freehold if he had money to pay for it.
298. Have you had any experience of the Advances to Settlers Department?—No.
299. *Mr. McLennan.*] What stock do you carry?—I carry about four or five hundred sheep during the season, besides crop.
300. I suppose you would have a third in crop every year?—I have not cropped very extensively this year; I have about 120 acres.
301. And how many acres altogether?—Four hundred and thirty-four.
302. What crop do you grow?—I grow turnips in the winter time.
303. What kind?—Most of the early kinds here.
304. Do you grow any swedes?—No, we find the climate too dry for them.
305. Only purple-tops?—Yes, and other kinds.
306. Do you grow any rape?—Yes, the rape does very well.
307. Do you try wheat?—Yes, but I do not think this is good country for wheat after what my experience has been in Canterbury.
308. Have you tried to grow potatoes?—Yes, but not successfully

309. Do they grow rough?—Not very rough, but do not come to the size.

310. You do not put any manure with them?—Not a great deal. The land being virgin land they do not put much manure in.

311. Do you sow grass with the barley?—I did last year.

312. How did it do?—Very well. We had a very good season here last year, but I believe as a rule it would be as well if the grass was sown by itself.

313. *Mr. Anstey.*] Is there anything in the conditions of your lease which prevents you from farming to the best advantage?—No, there is nothing particularly, only the conditions as to the two white crops.

314. Do you think the lease in perpetuity helps the small man to get on the land?—Yes, I think it is a very good system.

315. If you had the freehold system do you think it would help the small man to get on the land as easy as the lease in perpetuity?—No. I think the lease-in-perpetuity system is the best, although as things are going at the present time I do not think the small man has the same show that he had some years ago; they are making the conditions more strict before you take up land.

316. *Mr. Paul.*] Has the subdivision of these estates and consequent closer settlement benefited the district at all?—To a considerable extent.

317. *Mr. Johnston.*] What does the barley yield?—About 30 bushels. Last year I think it was up to 40 and 50 bushels.

318. Do you know Canterbury?—Yes, very well.

319. Do you know the land that has been taken under the Land for Settlements Act?—I have a general knowledge of it. I have seen some of the land.

320. Do you think it is a success?—I think it is a great success.

321. That land would have been practically idle in the hands of large holders if it had not been for the Land for Settlements Act?—Yes, I suppose it would still be in the hands of large owners.

322. *Mr. McLennan.*] What part of the country were you in?—I was in the Courtenay district.

323. Were you cropping there?—Yes. I have been farming in the colony for the last thirty years; our land in Canterbury was freehold.

324. You were not leasing any land for cropping?—No.

JOHN GEORGE ARMSTRONG recalled.

325. *The Chairman.*] You wish to make a further statement?—I would just like to give the Commission my idea of what the freehold should be based on. As far as the 999-years lease is concerned there is only one basis on which it can be granted, and that is on the old valuation. No one with a 999-years lease is going to submit to revaluation even if it is worth more. His own lease is already a marketable commodity, and the Government would not get more if they put the land up to the present capital value. I noticed that one member of the Commission suggested that if the Government sold out the good estates, the estates that the settlers considered were not worth buying would be left on their hands. I do not think that is so. They have no right to revalue the land during the 999 years, and they cannot raise the rent until that time is up. I think, if a settler was given the right of purchase in time to come, it should be given on this basis: the old valuation after 999 years' lease with a percentage added of, say, 5 or 10 per cent., and that would form a fund to clear the Government of any loss they might be at on certain properties.

326. *Mr. Anstey.*] Do you think the farms at Flaxbourne were cut into suitable areas?—I think that when the first plan came out the areas were a little too large. They were mostly cut into 800-acre sections in the case of the lease-in-perpetuity land, and the others into about 200- or 300-acre sections. Now I think they have gone to the opposite extreme and cut them too small. I believe in a lot of little sections about the township for workmen's homes and business people, so that they can have a little bit of land adjacent to the township to run their horses and cows. That is the great fault of Seddon Township; there is absolutely no paddock accommodation to be got there unless you rent it from a settler when you have to pay through the nose for it.

327. What is about the size of these sections?—The country, like the Haldons, could be cut so as to carry six hundred sheep—that would be about seven hundred ewes.

328. What is your opinion about the number of these sections which are cut into 50-, 80-, and 90-acre blocks?—I do not think they are any good at all, they are not one thing or another.

329. Is there any of the land suitable for dairying?—None whatever, excepting a little piece where the swamps are, but there is not enough to warrant the establishment of a dairy factory. The country dries up too much.

330. What size would the grazing-runs be cut into?—A grazing-run which would carry a thousand sheep is not too expensive to work, but the rougher the country the larger should be the area.

331. *Mr. Paul.*] You said that the Government had no interest in the lease in perpetuity; that the settler had it, and it was a marketable commodity, and that he traded with it?—Yes.

332. If you had the option of the freehold could you sell your section to better advantage?—A little, perhaps, because I would have what is regarded in the public eye as a more secure tenure.

333. Then there is a value that would accrue to your section if you had the option of the freehold?—A slight value, but in giving me that slight value it would be a loss to the Government, excepting when the thousand years were up.

334. You propose that the tenants should get the freehold. That is a remission of the original conditions, and there is an opportunity for the State to square up the whole business in the case of good bargains, and there would be no hardship to the tenant, and in the case of bad bargains the tenant might get the land at a lower price?—I do not think so. I do not think there should be any land sold

for less than the capital value, but if bad times ensued there should be something to make up the loss. The settler goes on the land at his own wish, he is not compelled to go there.

335. Would you make no reduction on any section after the option of the freehold was given?—I would not say that. If a man wanted to buy his place—supposing it was too dear to be bought—as long as he rented it I should say the Government could not sell it at less than the original price, but if they forfeited the section they should have some fund to meet the deficiency. I do not think they should reduce the rent.

336. In the case of good bargains, you think they should require a slight increased percentage with it if the option was given?—Yes.

337. *Mr. Johnston.*] You say there is a very slight increase: do you not think that Mr. Atkinson paid £1,200 for his goodwill in the case of the 3,000 acres he bought?—Probably he did. I do not know what he paid.

338. That is 10s. an acre, and a very fair advance is it not?—It is a considerable advance.

339. Generally speaking there is an advance all round on Starborough?—Yes.

340. If that land went back into the hands of the Government to-morrow they could get a very large increase on it?—Certainly.

341. That means the land has increased in value over and above improvements?—Yes.

342. *Mr. Paul.*] I asked you whether there was not a slight increase above the present goodwill if you got the option of freehold?—I think there is. I think I could sell it better.

BLENHEIM, SATURDAY, 24TH JUNE, 1905.

ANDREW JAMES CURRY examined.

1. *The Chairman.*] What are you?—A carpenter in Blenheim. I have been here twenty-one years. I own no land. I represent the Carpenters, Plumbers, Painters, and Bricklayers' Industrial Union of Workers. There are sixty members in the union.

2. What do you wish to bring before us?—The workers believe in the lease in perpetuity as at present constituted as it gives people of moderate means a chance to get on the land. They do not think it right to give the present leaseholders the freehold as it would mean breaking faith with those who have got no land at the present time, and it would break up the leasehold system, which is one of the best things ever brought into law in New Zealand. In the event of it being decided to give the option to the leaseholders we consider that it should be given according to the value at the present time and not on the original valuation. In the case of the workers they have a hard struggle in the towns now, and special facilities should be given for married men with families to take up land in such settlements as Flaxbourne. A single man can go and live there for 2s. 6d. a week, but a married man cannot do so. We think if the Government would put up a cottage on these sections to the value of say, £200, and interest to be paid accordingly, with a 1 per cent. sinking fund to wipe off the cost, it would be the means of helping us very much. We consider that the Act hardly goes far enough in that direction at present.

3. How much land do you think ought to be attached to these cottages?—It would depend on the locality. Estates have been cut up cheaply a long way from town, but in the event of the railway going into Flaxbourne, I think if sections for workers' homesteads were cut up into 40-, 50-, or 70-acre blocks it would give men the opportunity of getting a living.

4. Do you not think if the Government would give, say, half, the worker could find the other part?—I think the workers would be only too glad to do that. The main thing would be to get up a shelter so that the worker could start to use his section.

5. Do you think a man could go up to Flaxbourne and take up 50 or 60 acres and make a living on it?—Yes; for the reason that it is a new settlement, and being a tradesman he has the opportunity of getting work around the neighbourhood.

6. We were out there yesterday, and in the vicinity of the woolshed the Government have cut up sections varying from 5 to 70 acres: do you think that would be sufficient for your purpose?—Yes; I think there would be work for men there.

7. Do you know of any who are going in for the Flaxbourne land?—Yes, some of the carpenters.

8. *Mr. Paul.*] Is there any demand for land for workmen's homes close to Blenheim?—There would be a great demand, for the simple reason that the work is here, but the price of land around the town is inflated and it is out of their means to get land.

9. Are there many workers renting homes?—Not a great number in my class. They are struggling with a monkey on their backs and trying to pay for the little property they have got. Some who have large families growing up are not in a good position. Those with small families are in a better position.

10. Do you think it would be better if, instead of struggling with a monkey on their back, they leased a small plot, built a house, and paid a small ground-rent?—Yes; if they were under the Government, because they would get better terms from the Government than they would from a private individual. The latter do not want to lease the land if they can sell it, but I claim that it is at an inflated price. There is some property about Marlborough that you could get for workmen's homes, and there is a demand for such places due to the opening-up of the country here.

11. With regard to the lease in perpetuity there is a demand for revaluation. It is proposed in some quarters to revalue existing leases, and in other quarters to apply it to leases issued in future. Some people say where contracts are entered into between the State and the tenants those contracts should be rigidly adhered to. What is your view of that matter?—We say that as the Government have entered into a contract to give the lease for 999 years it is unfair that they should further tax or revalue the property. On the other hand it is said that the weak point of the lease is that there

is no provision for revaluation at the end of reasonable terms. Some people state that in the event of the freehold being given it should be given at the unimproved value.

12. Do you think the wise course to pursue is for the State to stick to their bargain?—I should say so.

13. With regard to revaluation of future leases, do you think it would be equitable to apply the principle to them?—Yes, for the future.

14. For periods of twenty or thirty years?—Yes; for the simple reason that they have now found out where the weak point is.

15. Do you consider the workers in the towns would consider that also, those who take up land close to Blenheim on lease?—I think so. They would not get it otherwise.

16. Then you consider that if the option of the freehold were given to Crown tenants it would be breaking faith with the landless who have helped to carry that system to its present stage, and that if the system were seriously interfered with it would be against the interests of the workers?—I am certain of it. It is breaking faith with them.

17. *Mr. McLennan.*] Is your union affiliated with the Trades and Labour Council?—No, we stand alone.

18. You had no delegate at the Wellington conference?—No.

19. Did the revaluation come before you for discussion?—Not the question which has been discussed in Wellington. We have just talked it over amongst ourselves.

20. Can you say whether that question has caused a great deal of unrest amongst the Crown tenants. I refer to the motion which was carried in Wellington by the conference?—I could not say that.

21. *Mr. Anstey.*] I understand you to say that the labour union you represent would have no sympathy with the resolution carried by the Trades and Labour Council in Wellington?—I did not say that, but I believe the majority would have no sympathy with them, although that question was not discussed amongst us excepting casually. Some of us think it has gone too far and have our own opinions about it.

22. Are there any workmen's homes under the Government in the neighbourhood of Blenheim?—No.

23. You think it would be wise for the Government to acquire some land here for the purpose?—If they did so I think every bit would be taken up.

24. Have the workers petitioned the Government to do so?—No.

25. What-sized areas would be suitable close to a town like Blenheim?—I suppose they would run from $\frac{1}{4}$ acre up.

26. Do you think a worker pure and simple would find $\frac{1}{4}$ acre sufficient or as suitable as a large area if he were close to his work?—Yes.

27. Have you had any experience of what such a settlement as Flaxbourne would be in regard to suitability for sections such as you refer to?—No. The reason I mentioned a certain area was that such a settlement as Flaxbourne would be far away from a settled town, and if a man had from 50 to 70 acres there he could go in for perhaps fruit-culture or gardening in the intervals of getting work at his trade in the neighbourhood; and in four or five years he would no doubt be able to get a living in the district at his trade, and in the meantime his garden would be bringing in a return.

28. Do you think a man could economically do anything with from 50 to 70 acres: he would have to plough it and he could not keep a team of horses?—He would have neighbours who could perhaps do the ploughing for him.

29. Is not a small area of, say, 15 acres more suitable for such a purpose as you suggest: it would be big enough to keep a cow and a horse?—I maintain that the wages a man would earn at his trade he would like to put into the ground, and he could get his neighbours to plough the country for him. The settlers who went on Starborough are now in an independent position.

30. On 70 acres?—No, on a larger area.

31. You think you could work a small section as economically as you could a fair-sized one?—Yes, he might.

32. You cannot dig it and you would have to get a team?—Yes; but you must remember that while the worker is working at his trade his family is growing up.

33. You have never been on land on that sort of section?—Never.

34. *Mr. Johnston.*] You think the workers, if they got the opportunity, would go on the land?—I think so.

35. How many workers have applied for the ballot in Starborough?—I could not say.

36. Do you know of one?—I do not know that I do.

37. Do you know of any who have applied for Flaxbourne?—Yes.

38. How is it that the cutting-up into these small areas has not been a success down south, and that the workers, although land was cut up for their purposes, did not apply for the areas?—I do not know the locality you refer to.

39. *Mr. McLennan.*] Is there any land about Blenheim suitable for worker's homes?—I dare say there is; but I am afraid the price would be too great in the case of land within a reasonable distance of town.

40. *Mr. Anstey.*] Would not the price be too much for $\frac{1}{4}$ -acre sections supposing you paid a large price for an estate to be cut up?—Yes.

41. What price would they ask for such land?—£40 or £50 per acre within four miles of Blenheim.

42. That would be only £10 for $\frac{1}{4}$ acre. Do you consider that would be too high a price for a man to pay ground-rent on on a small section?—I do not think so.

43. I suppose it would be much better to pay £100 an acre for land close to town for workers' homes than a small price for land further out?—That is so.

ROBERT REGISTER examined.

44. *The Chairman.*] What are you?—I am a teamster. I represent the Labourers' Union.
45. Is that the same union as the last witnesses'?—No, distinct.
46. How many members are in your union?—Between two and three hundred.
47. Have you any land?—I have half an acre of land in Blenheim, freehold, but there is a small mortgage on it.
48. What do you wish to bring before the Commission?—I am a thorough believer in the lease in perpetuity as at present constituted.
49. You heard what the last witness said about giving men with limited means an opportunity of getting on the land, that he would not approve of any breach of contracts already entered into, but that in the future he would recommend there should be periodical revaluation. Do you agree with all that?—I cannot agree with him as regards revaluation. I think that it tends to weaken the confidence of people who have taken up this land. I am not in favour of periodical revaluation. I believe in the lease as at present constituted, for the reason that, taking Starborough, if that land was still in the hands of the late Mr. Beaumont, it would be hardly got at a rental of £1 an acre, whereas the settlers have got it at 7s. 6d. an acre. Under the present lease a man is secure for 999 years, and that is as long as any of us wish to live. In the case of leases from private individuals, they range from five to seven years, and at the end of that term, the private landlord, if he is short of cash, comes along and raises the rent according to the improvements the tenant has put upon it. It is not so with the Government. Another matter is that if a man wishes to sell his Government lease he should be required to sell it to somebody who is not occupying any land.
50. I see that you stand for security of tenure without disturbance on the part of the Government or landlord, and that you wish to have the power to deal with land in the way of transfer and at the original rent?—Quite so.
51. *Mr. Paul.*] You believe the leasehold has been of great benefit to the poor man?—Yes, and it will be greater as time goes on.
52. You think the closer settlement of the country has been for the benefit of the mass of the people?—Yes.
53. You think that all present contracts should be adhered to?—Certainly.
54. You think the area of land held should be strictly limited?—I do.
55. Do you think that can be done if the freehold is granted?—Certainly not.
56. In the case of future leases, if there was revaluation, say, every twenty or thirty years, would that interfere with a man using his land properly?—No, I should not say so.
57. Do you think that revaluation would be a fair principle to apply to leases let in the future?—Not as regards increasing the rents. If the Government think about reducing the rents no man would find fault with it.
58. You are quite well aware that the Government cannot rack-rent its tenants; it will only charge a fair rent?—Yes, the Government does not wish to make money out of it. They only want to settle the land profitably and make the system pay.
59. All that the State wants is a prosperous tenantry?—Yes.
60. *Mr. McLennan.*] Would you give the tenant a free hand in managing his farm after a certain period of residence and on his making certain improvements?—Yes, I would remove all the present restrictions. Under those conditions, no man would destroy his land, but would work it to the best advantage.
61. In your opinion, would it make the tenant more independent and contented if he had a free hand in farming his land?—I do.
62. *Mr. Anstey.*] Is your union affiliated with the Trades and Labour Council?—No.
63. In regard to the resolution passed recently in Wellington by the Trades and Labour Council in favour of revaluing existing leases at certain periods, had your union any sympathy with that proposal?—.
64. Do you think it would be unjust?—Yes, but I am speaking personally.
65. Is there any demand for workers' homes in the neighbourhood of Blenheim?—Yes. I am a thorough believer in small holdings which would enable a working-man with a family and with very little capital to get one of these sections, the area to vary according to the quality of the land.
66. Would the same remark apply to Picton, that is as to the demand for workmen's homes?—I could not say.
67. Do you think it would be necessary to buy, say, 10 acres, for this purpose. A man in constant employment could not work such a large area as that. Is there any demand for, say, $\frac{1}{4}$ -acre sections for workmen's homes?—In Blenheim, I consider that $\frac{1}{4}$ acre for a man who is engaged in regular work is as much as he can look after.
68. Is the lease in perpetuity suitable for this class of holdings?—I should say so.
69. Would they not want the freehold?—I should be perfectly satisfied if I had $\frac{1}{2}$ acre under lease in perpetuity.
70. Would you put as good a house on the lease in perpetuity as on the freehold?—Yes.
71. And you would consider it just as secure?—Yes.

ANDREW WATSON examined.

72. *The Chairman.*] What are you?—I am a settler in Blenheim, and hold 1 acre just outside the town; it is freehold land. I have been here for thirty-five years. I have been a tenant farmer, but at present I am following sheep-station work. I believe in the leasehold tenure. I do not think that the present law in regard to the lease in perpetuity should be disturbed. To grant the freehold would be to make an end of it. I think it would be all right to have revaluation in regard to future

leases. I would be afraid that if we disturb existing leases it might give the tenants an opportunity of saying "You have broken your covenant with us; give us the freehold." I could mention dozens of runs in this district where the owners keep a shepherd and a boy, and in some cases they hold 20,000 acres, and they simply pocket a thousand or two thousand pounds a year, and then go jaunting and so forth, and employ no other labour at all.

73. Are these people capable of being subdivided to advantage?—Yes.

74. I suppose you would not care to mention them?—I might mention the case of the Burleigh Estate, which is quite close to town. It is a run of 4,000 or 6,000 acres, held by Carter's trustees. It is undulating low downs, and is good grazing-country. The nearest boundary is two miles from Blenheim, on the left side of the road to Taylor's Pass. There are some parts that are flat and that is shingly, and some parts would not be much good for agriculture, but it would make half a dozen small sheep-farms, and there is nothing being done with it at present. It is nothing but a rabbit-warren. There is not a building on it. Although it is dry, it is splendid sheep country, because the spurs face the sun. It has been the best run about here; the best sheep used to come off it.

75. Is there any other point you would like to bring before the Commission?—I think the Land Board has done fairly well, but I think it ought to be elected.

76. Under what franchise?—Under the same franchise as for members of the House of Representatives. Probably the expense would be great, but I think Land Boards are the most important public bodies in the colony. Licensing Committees are elected, and I do not see why members of Land Boards should not also be elected.

77. Under the lease in perpetuity the people of the colony through the Government are the landlords. Do you not think the landlord should be represented specifically by one or two members?—It might be better to have the Land Boards partly elected and partly nominated.

78. Is there any other point you would like to mention?—I should be very sorry to see the freehold granted, because it would simply upset the whole thing.

79. You are entirely against it. You think all the land should be under leasehold?—Yes, and I do not think the tenant should be allowed to sell out. I am against the tenant getting any goodwill. I think if he is doing all right he should be satisfied, and not be allowed to gamble with Crown lands.

80. Would there not be circumstances arise in some cases which would be extremely hard?—He could sell out. I do not think he should be entitled to that which the State has created. It is not the individual that has created the good times, and I think the unearned increment should belong to the colony.

81. You approve of revaluation in the future?—Yes, in the future.

82. You would not break any contract?—No.

83. Take the case of a man who had a lease of land on lease in perpetuity and who wants to sell out, supposing the goodwill is worth £2 an acre, you would not allow him to get that?—No.

84. Who would get the £2?—Of course, you might say the next tenant would get it, but he would not. He would be living there, but he would not get the benefit of it. He would get it, but he would not be able to sell it.

85. *Mr. Paul.*] So far as the existing contracts are concerned, do you not think that the tenant is entitled to that £2?—No, I do not think he is.

86. Granted that the State made a bad bargain, is that any reason why they should alter it when they find out it is a bad bargain?—Do you not think it is against the spirit of the Act that the tenant should have this unearned increment.

87. But the State gave it to him, and therefore he has a legal right to it?—Would it not be gambling in land? If he gets a good living while he is there he ought to be satisfied. He ought not to sell it to another man, and then perhaps bad times come directly afterwards, and then the other man is down on it, and that would jeopardize the State.

88. You mean to infer that the man who pays a certain rental, being the original holder—say, for example, he pays 5s. an acre—he sells out to another man and pays back the goodwill for the section, and pays the original 5s. in addition, therefore the second settler is not in so advantageous a position as the first?—Yes. If bad times come first the other man would be all right because he has something in hand.

89. The State gave this to the tenant, and has not the tenant a legal right to use or dispose of it as he likes?—The State gave it with the understanding that he was to get a good living out of it, and they would give him every encouragement, but not to make a fortune.

90. But the State did not understand that he was going to live 999 years and enjoy the benefit himself; the State gave it to him for himself and his heirs?—I am against all fortunes being made.

91. You think the community value should accrue to the State, that the tenant should have everything he creates, and the State everything it creates?—Yes.

92. Has the closer settlement benefited the district?—Undoubtedly. There were some lands I could take you to and you could ride right up to them and you would think they were desolated. They have a shepherd and a cowboy and 20,000 acres or more.

93. You think the Flaxbourne closer settlement will wear a different aspect than it does to-day?—Undoubtedly. I think the State gave a bit too much for it, but as long as the times keep good I think it will pull through.

94. You are quite sure that there should be no interference with existing contracts?—Yes, I should say so.

95. *Mr. McLennan.*] Do you think any of the present holders are making any fortunes out of their holdings?—Do you mean the Starborough settlers?

96. Yes, or any settlers under lease in perpetuity?—Yes, we were told of a man who sold out, and he went in with £700 and took out £7,000.

97. He had to take some risk?—Yes.

98. Things might have gone against him and he might have lost his £700?—Certainly, but these people, when they come down, always cry out to the Government and the Government in most cases give them help.

99. *Mr. Johnston.*] Who is this man who went in with £700 and came out with £7,000?—I think his name was Shapman.

100. What section in Starborough did he have?—One of the grazing sections. I have only heard from others.

101. Do you know who bought him out?—No, I know he went out with a good deal of money.

WILLIAM BLYTH BUCKHURST examined.

102. *The Chairman.*] What are you?—Crown Lands Ranger for the District of Marlborough. I have held the position for five years. There are between seven and eight hundred Crown tenants in all tenures.

103. What is the principal tenure in vogue here?—Lease in perpetuity, and closely run up by small grazing-runs as regards area.

104. Do you find the lease-in-perpetuity settlers successful?—Yes, I may say this district is very successful. There are one or two instances where they are not, but most settlers have done very well.

105. In regard to the lease in perpetuity what proportion are under the Land for Settlements?—About one-third.

106. I understand they are particularly successful?—Yes. The Northbank land has not been a great success.

107. It is only suitable for small grazing-runs?—Yes.

108. And it was held over to see how that would develop?—Yes. I do not mean it is a non-success, but I cannot classify it with the others that are a pronounced success.

109. There is nothing wrong with the tenure?—No.

110. You have a large number of small grazing-runs?—Yes, a great number of these grazing-runs are supplementary to small freeholds.

111. Have you been in this district before you were Crown Lands Ranger?—Yes, thirty years.

112. Had you any knowledge of these runs before thirty years ago?—No.

113. Do you know whether they are deteriorating at all?—Only by hearsay. I do not know of my own knowledge, but from conversations with old residents I believe they are; fire and rabbits have been the chief causes.

114. Is there any overstocking?—Yes, it has been caused in a measure by overstocking. The blue-grass has been eaten out by overstocking.

115. From your observation and your knowledge, can you suggest any practical means of bringing them back to a better state of fertility?—I do not know that I have thought the matter out, but I should say that to keep the stock off them for a while would be the best way to rest them.

116. Who has got the Patriarch Run?—It is not a pastoral run now, it is a small grazing-run. Mr. Tapp has it. He is not there all the time, only part of the time.

117. You have nothing to suggest further than just resting the country?—To let the native danthonia seed if possible.

118. Is it spreading?—No, because it does not get a chance. Fire is the greatest enemy; it will not seed.

119. *Mr. Paul.*] You think your district is, generally speaking, prosperous?—Yes.

120. And the tenants doing fairly well?—Yes.

121. *Mr. McLennan.*] Are the tenants putting improvements on their holdings to your satisfaction?—Yes, very little trouble in that respect; they are generally a long way ahead of the requirements.

122. There is evidence before us that the tenants on lease in perpetuity do not improve their holdings as they would if it was freehold: is that your experience?—No, it is not. They must improve their holdings if they wish to make anything out of it.

123. I mean buildings and fencing?—They put up buildings—those that are living on the ground—the older occupants have done nearly all their improvements. They could not have done more if they had the freehold.

124. No trouble with the tenants?—No, none at all.

125. You do not visit them very often?—I think I do. Until last year, when I was engaged on the Flaxbourne case, I have visited them every year.

126. In your opinion would it do any injury to the State if the tenants had a free hand in managing their holdings?—I think the tenants have the interest of their property at heart. I think they would do the best they could for themselves.

127. You think it would not tend to spoil the ground?—No, they do not spoil the ground.

128. In your opinion would they not be more contented and happy if they had a free hand in managing their own affairs?—The more you give a man a free hand in any case the better he is contented.

129. *Mr. Anstey.*] What is the nature of these leases in the mining areas?—They are held for twenty-one years.

130. Have they any right of renewal?—Yes, I think so, and value for improvements.

131. Do they get full value for improvements?—Not what it has cost them, they get the value.

132. Does that in any way interfere with the miners' rights?—No.

133. What terms do they come under?—They have to pay compensation for surface-damage.

134. Any limited amount to be paid?—The Warden, I think, would adjudicate on that. There is no limitation set down by law.

135. How do you arrive at the damage?—By valuation.

136. In Southland the damage is limited to £1 an acre?—Perhaps that is in special districts, and specified in the lease.

137. There is nothing to prevent a miner carrying on business after twenty-one years lease?—Nothing at all.

138. How are the settlers doing on the Blind River Estate?—They are doing all right. The best indication of whether a settler is doing well is when he sells out well.

139. Are there not two or three sections put together?—Yes, they are grouped. It was necessary to group them. In one case there were three sections grouped; they were too small to get a fair living.

140. Were they taken up originally in small areas?—Yes. The men forfeited their sections and the Department grouped them.

141. Apparently it is not wise to cut this land up too small?—No, it is not.

142. What is your opinion about the Flaxbourne areas: are not some of the areas too small?—For the purpose of sheep-farming a lot of them are too small.

143. What is your experience of the most successful farmer?—A good deal depends on whether he is growing crops. All the farmers have been successful as far as these particular estates are concerned. Those that have had crops have had good crops and got good prices for them.

144. Both small and big have been successful?—Yes, both small and big. There are not many small ones. Those who have had small sections have done well; they generally have the best land to deal with.

145. The road access on the Blind River is good?—You could drive a brougham on any part of Starborough.

146. What about the Flaxbourne Estate?—The roads are being made there now. The main road is being deviated, it is too steep.

147. How long will it take to make the roads?—Mr. Williams, the engineer, says he is making half a mile a day on the flats.

148. You spoke about unstocking as the best way of renewing the land: have you any particular scheme for unstocking them?—It is almost impracticable. I was asked the question how it could be done, and I gave that answer. It may be the best to do that in the long-run.

149. But suppose you unstock the run for a year?—That is not sufficiently long. You want five or six years for unstocking this high country.

150. Is there any scheme whereby the man on the land would be compelled to fence off so-much every year: would that not keep the stock out?—Yes.

151. Would you give any idea whether the stock would be kept off?—I do not think it would be practicable. A man could run his stock on without you knowing anything about it.

152. *Mr. Johnston.*] Are you aware of any settlers going on Starborough other than practical farmers—ordinary labourers?—There are some ordinary labourers.

153. I mean working-men about town?—Yes.

154. Have they taken up any areas?—Yes, small ones; there are two or three.

155. Have they done well?—Yes, fairly well. There is a lot of work to be done, and if a carpenter takes up a section he is able to do other work when he is not working on his section.

156. But the area of the section is only limited to a certain number?—You would require just a sufficient number to keep them employed during the year. If you overdo it you will hear the cry for the amalgamation of sections.

157. Do you think that areas of 60 to 100 acres on Flaxbourne can pay?—There are one or two sections that would pay.

158. But the land is cut up too small?—That is my opinion; not all of it.

159. Was the cutting-up according to the original survey satisfactory?—I consider the first survey of Flaxbourne was an excellent one.

160. What weeds do you get in your district?—We have got blackberry, bramble, a little Californian thistle, and gorse.

161. I mean the weeds that are doing serious harm?—Briar and blackberry.

162. Have you seen the result of Californian thistle, have you had any experience of it?—No.

163. You could not express any opinion as to whether briar and blackberry would be as detrimental to the country as Californian thistle?—No.

164. Are they doing serious harm?—Yes, occupying some of the best land.

165. In large areas?—Areas of 100 acres.

166. And the Agricultural Department are forcing the settlers to clear them?—They are trying to get them to do so much every year, but the next year it comes back, and it is almost impossible to eradicate.

167. What reasonable means would you suggest for eradicating it?—As a farmer I have had blackberries on my own place, and I think the best way is by planting willows amongst them when the ground is damp. The roots of the willows have great sucking-power, and they draw the moisture from the blackberries, and when the trees get a little large, they keep the sun off the blackberries, and so keep them down. I would plant them where the ground is damp and where they would grow well.

168. What would you do with those runs, the Blue Mountain and Cape Campbell?—The best way to get rid of the blackberries there is to pull them out.

169. How do you propose to eradicate the sweetbriar?—By pulling it out in the wet weather.

170. How do you account for the carrying about of the seeds of the blackberry?—The birds do that. The blackbirds are the worst.

171. Do you think the farmers have taken all legitimate means to cope with the Californian thistle from the start?—They have not done so in the past. It is one of those things which has been left to be attended to in their spare, time and that spare time has never come, and now it has outgrown them.

172. Where is the blackberry land mostly?—Up the Wairau, on the north bank.

173. Is it all rich land?—Not all, it varies a great deal, it is a mica-schist formation.

174. How is it that it is not on the south bank also?—There is more moisture on the north bank.

175. What tenure are the pastoral runs held under?—Pastoral license.

176. Are many of them freeholds?—A portion of them are freehold, and the lands at the back, which are high lands generally speaking in this province, are made supplementary to the freehold runs in front, and are held under pastoral lease from the Crown.

177. Are not all these back-country runs fit to cut up?—I should not think so.

178. Do you think any of these pastoral runs have been too much cut up already by reducing the winter area?—No. If you were dependent on them alone, that would be so, but they are worked in conjunction with the low-lying freeholds.

179. Then if it were not for the freeholds, the back country would not be any use?—Not in many cases, because they could not winter the sheep.

180. Is there any leasehold land from which the winter country has been taken?—I do not think so, excepting in the Kaikoura district. There is some of Mr. Bullen's I refer to. His land is all freehold, and the pastoral run was taken away.

181. Is there any more land of that description suitable for cutting up?—Yes, a fair-sized area. I allude to the Waihopi, Carter's estate. It might be cut up smaller there.

182. Would that be detrimental to the back country?—No, because they have the front country.

183. Do you know of any of these Starborough settlers having sold out?—Plenty of them. There was a recent sale by Chapman to Atkinson.

184. What did he get?—Four thousand five hundred pounds, which included stock. There were about two thousand sheep at the time. The stock was low when Atkinson took it over. They were worth from 15s. to £1 a head. The improvements were about £900, and I think the goodwill was £1,500. Another section sold was No. 4 Small Grazing-run. Four thousand pounds was given for that. The improvements were £700, and the price included stock. There were three thousand four hundred ewes, and they were worth 12s. a head. Stock was not so valuable at that time.

185. Has any of the first-class land been sold?—Yes.

186. At what price?—The general run would be about £1 an acre goodwill.

187. What would be the goodwill on the second-class land?—From 10s. to 15s. an acre, but in that case it has been emphasized by the fact of the large areas.

188. What is the carrying-capacity of the small grazing-runs in Starborough?—The winter capacity is about two-thirds of a sheep to the acre, and about one sheep to the acre in summer.

189. What is the carrying-capacity of the first-class land?—In its prairie state it will carry very nearly one sheep to the acre.

190. What has the Blind River land been changing hands at?—At about 10s. an acre for second-class land. Not much first-class land has changed hands at Blind River.

191. You mentioned that one section in Blind River sold very well?—Yes.

192. What was that section?—I do not think it should be taken altogether as a guide; it would be rather misleading; in fact, I do not think it would be advisable for me to answer that question.

193. Have these settlers complained to you about their tenure?—Some have wished to use the tenure as a sort of savings-bank to pay some money into it to reduce the capital value in times of prosperity, so as to reduce their rentals in bad seasons.

194. Supposing they were able to pay in the rent to a sinking fund, and the Government allowed them the same interest that they paid on the balance to stand to their credit, would they be satisfied?—They intimated to me so.

195. Is that the only complaint you have heard?—When one travels through the district you hear different stories. Some settlers are pretty well satisfied with the tenure and others again would like the freehold.

196. Has this agitation come of late years, or when do you reckon that they got dissatisfied with the tenure?—I do not know that there is a great deal of dissatisfaction in this district. It has been of slow growth.

197. Can you account for the growth?—It is more that they feel that they would like to own the land themselves. They have made it their home, and they would be more satisfied; and there is one other fear which I think has already been advanced in evidence before you, that is the fear of revaluation.

198. They feel themselves on their feet and rather like the freehold?—Exactly.

199. About what percentage of these men could have gone on to the land without getting terms?—Very few indeed. Most of them have been successful since they started.

200. Generally speaking, they are a good class of settler?—A very good class.

201. Have you had to foreclose on any sections?—We have, but very few.

202. On what class of land?—We had to foreclose on one or two sections on the Blind River, for non-payment of rent.

203. What brought the settlers to that position?—The low markets at the time, and they had already spent most of their capital in experimenting with cropping and could not go any further.

204. Really, these men lost their capital in endeavouring to develop the land?—Exactly.

205. Did they get any compensation?—The value of the improvements was given to them. The

debt to the Crown was paid off and if there was any surplus they got it. They were a very high class of settler, and it was misfortune that brought them down.

206. Would it not be possible in such a case to assist them to such an extent as to enable them to hold their land for a further term?—Yes. In fact, the Starborough Settlement became successful through being nursed in the early stages. But for that a good many of them would not be there now.

207. Do you not think it is advisable to do something to this effect to provide for bad times: if the tenants had their rent capitalised and spread over a term of years, would they be able to hold out in such a case?—They would have pulled through in that case on the Blind River, because times improved, markets improved, and access to their sections improved, and had the rent been capitalised and charged to the section they would have been there to-day.

208. That was not done?—That is not provided for by law.

209. Were the Land Board approached in that direction?—No.

210. *Mr. McLennan.*] Are there any forest reserves under your control that the timber has been cut off of in former years?—Yes.

211. What did you do with the reserve?—It has been surveyed with a view to removing it from the State forests and giving it to the settlers.

212. Was it a large area?—There is a good deal of it. There is only one small area useful.

213. Are there any weeds on that forest reserve?—A little blackberry on the low-lying ground.

214. You could not say how many acres are at present available for settlement?—There will be about 2,000 acres available in the next two years.

215. *Mr. Anstey.*] Do these reserves run to weeds very rapidly?—Yes, unless they are cleared and sold very rapidly. They should be opened directly the bush is off.

216. Do you think such forest reserves should be immediately settled, even before they are cut out?—It would be better if that could be done.

217. *Mr. Johnston.*] Do the farmers object to the cropping conditions on agricultural lands?—Yes, they like to have more control of the land themselves. The conditions are not applicable in all cases.

218. Do you give and take in regard to enforcing those conditions?—Yes. Where a crop has been a failure I do not reckon it.

219. What is the yield per acre generally here?—In barley 30 to 40 bushels. Oats are mostly grown for chaff, and run from 1½ tons to 2 tons to the acre in a fair season. Wheat is not so good here: speaking generally, it runs from 20 to 30 bushels to the acre, but on one farm it has been as low as 6 bushels to the acre. Potatoes are very good indeed, and run from 10 to 12 tons to the acre.

WILLIAM ARMSTRONG examined.

220. *The Chairman.*] What are you?—I am Chief Draughtsman, Receiver of Land Revenue, and Secretary to the Land Board. I have been here five years and a half, and have been in the Lands and Survey Department for thirty years.

221. Are the rents very well paid up by the tenants?—Very well indeed. The arrears at present amount to only £500 out of a total revenue of £20,000.

222. *Mr. Anstey.*] Have you always given the 10 per cent. rebate to the Crown tenants?—In the first year it was 5 per cent.; but there were complaints from settlers that settlers in other districts were getting 10 per cent., and the Commissioner of Crown Lands and myself decided to give 10 per cent., and it had a good effect. We have always received the rents punctually.

223. Why did you alter your practice of giving 5 per cent. and making it 10 per cent.?—Because other tenants were getting it.

224. Do you not think the amount of rebate should be made uniform and universal?—The small amount of arrears is due to the general prosperity of the district; and, I think, that even without the 10 per cent. there would not have been much difference in the amount of arrears.

225. Do you think the responsibility should be put on the Commissioner of Crown Lands and the Receiver of Land Revenue of determining the amount of rebate?—I think we should be relieved of that responsibility. I think it should rest on other shoulders.

226. *Mr. Johnston.*] What settlements are there in this district under the Land for Settlements Act?—Eight—viz., Blind River, Omaka, Puhipuhi, Starborough, Richmond Brook, Waipapa, Northbank, and Rainford.

227. Which of these is the most successful?—They are all financially successful. There is only £200 of arrears on the whole lot.

228. Have you ever capitalised any rents?—Never.

229. Have you given any time in which to pay?—The Land Board allowed a certain time in which to pay, and they paid.

230. Did you charge interest on the outstanding amounts?—No.

231. What class of settlers have gone on the land?—They seem to be a good class of settlers.

232. Principally farmers?—Yes.

233. Are there any workers from the towns?—Very few.

234. Are there any village settlements?—Only two.

235. Have any of the Crown lands been thrown up?—There was one run at Waipapa. We had had a lot of trouble in connection with the Waipapa Estate. In the case of the run that was thrown up the occupier said he had a distinct promise from the Minister of Lands that he would rabbit the country, and as that had not been done he surrendered it.

236. Was the land so infested with rabbits that he could not go on?—That was the reason given for throwing it up.

237. Generally speaking, this land-for-settlements land has been an unqualified success?—Yes.

238. There has been a demand amongst some settlers for permission to pay off a portion of the capital value and thus reduce their rent?—I see no reason why that should not be allowed. The settlers seem very contented here.

239. Can you give us the areas of the runs taken up?—18,217 acres, small grazing-run. The holder left the colony. Then there is Run 107, called the Peninsula. Run 108, 18,903 acres. Run 107, 108, 109, formerly cut into three runs and now cut into two because they were too small. Run 107 has been taken up at the same rental.

240. *Mr. McLennan.*] Do you look on the rebate as interest or as discount?—I look on it as discount.

241. Do you not think that the tenants of small grazing-runs under the Land Act should have the same privilege as the other?—Certainly, I do; but there is no provision in the Act. Probably their position was taken into account when the Act was passed. Small grazing-runs only pay $2\frac{1}{2}$ per cent. on the capital value, while under the Land for Settlements Act 5 per cent. is paid. Probably that is why under the Land Act the holders were not allowed this rebate.

242. In regard to leases put up at auction, what is the position?—There is no rebate given.

243. They are supposed to pay the rent six months in advance?—Yes; and if they do not pay promptly they get 10 per cent. added.

243A. That is a pastoral lease?—Yes.

244. If they get 10 per cent. added, do you not think the 10 per cent. ought to be paid in advance?—Yes; I think some advance, anyhow.

245. Do you think all are entitled to it?—Yes; if you give it to one you should give it to all—it is only fair.

246. *Mr. Anstey.*] You spoke about small workmen's homes?—There are only two. There is one in the Wakamarina, near Havelock, and there is one down at Kaikoura.

247. What areas?—Small—5 acres.

248. Are they successful?—Yes.

249. Do they pay the rent?—Yes, always.

250. Is there any demand for more workmen's homes?—No, I do not think there is.

251. They would not be taken up if they were offered?—They might be taken up; but I do not know of any demand for them.

252. There are a lot of small sections at Seddon?—Yes; $\frac{1}{4}$ -acre sections in the township.

253. Are they taken up?—All that have been offered have been taken up. There are two or three blocks yet to be offered.

254. Blocks or sections?—Blocks of sections; they would have seven or eight sections in them.

255. So there are fifteen or twenty more sections to be offered yet?—Yes; there should have been more 5- or 10-acre sections.

256. Do they pay promptly?—Yes.

257. Are they building on them?—Yes.

258. What are the conditions?—In the first part they exempted them from personal residence and improvements, and from making a declaration. You will see that in the Starborough pamphlet. Now they insist on personal residence and improvements. That has come since.

259. They are all being taken up on those terms?—Yes.

HARRY MARSH READER examined.

260. *The Chairman.*] You are a member of the Land Board?—Yes; and a settler in the Pelorus Road Board District, and I am Chairman of the Pelorus Road Board.

261. Do you hold any land?—Yes, I hold nearly 2,000 acres.

262. What tenure?—I have lots of tenures. I have 300 acres of freehold, three leases, two leases of 643 acres lease in perpetuity. All my properties are attached. I have also a lease under the Bush and Swamp Settlement Act of about 430 acres. It is not complete yet, but it has been granted. It was the first application under the Bush and Swamp Lands Settlement Act in Marlborough. I also lease 200 acres of Maori land besides that; it is a Native lease. My son has another lease of a small grazing-run of 400 acres, making about 2,000 acres altogether.

263. What tenure do you prefer generally?—I think they are all good tenures. The lease in perpetuity is a splendid tenure. The Bush and Swamp Lands Act I look upon as the most liberal Land Act that was ever put on the statute-book. It will be the means of settling hundreds and thousands of acres of land that, I think, would not be taken up under any other tenure; because it means that the tenant gets his land free for three or four years, and with the Minister's and Land Board's consent it is exempt from the survey fees, which is a very big item to a poor man. It would be useless giving them that tenure unless that was so, because the survey fees would amount to a pretty considerable sum on 400 or 500 acres. I would like to say that there is also a lot of dissatisfaction on account of not being able to get more land. The Wakamarina is an old mining district, which is just about done, and a lot of settlers there have about 50-acre blocks, and they have big families coming on. There is a lot of rough land behind the holdings, but it is in the State forest. I would like to say here that the State forest and settlement cannot go together. The settlers have applied to the Land Board time after time, and I have tried to do what I could for them. I know there are 40-acre blocks which had been refused. This land is hilly land, and it would carry from a half to two sheep per acre. The timber on it is practically valueless as far as sawmilling-timber is concerned because the cost of getting it off the land is more than it is worth. This being in the State forest the Board has no power to deal with it. There was a petition sent in, signed by a large number of settlers, asking that the Proclamation should be lifted. The gold-mining part of it is nearly done, and the miners and farmers are becoming settlers; and they are dissatisfied with the land they have got, and there is more land behind them if

they could get it. If the Land Board had power to grant it, it would be given. There is always some reason, it has never been taken out of the State forest. Then, in the Rai Valley, which is another part of the State forest, sawmilling is going on. There is at the present time 600 acres of that land that has been fired; the timber has been taken off and it has been practically ruined if it does not get into the market shortly; and the Land Board, with the consent of the Minister, is providing seeds to sow this land to try and keep it from getting this way. The settlers are most anxious to get this land, and because it is in the State forest the Board cannot deal with it; and we think the law wants amending in that direction. We would like to see this law in relation to the State forest amended so that as soon as 100 or 200 acres is cut up, or the fire has gone through it, it should cease to be a State forest. It seems ridiculous to keep it there year after year till it is ruined. There is a place which is called Ballyhooley which was burned, but it is mostly fern now. It practically reduces the value of the land; if it was worth £5 at first, and it then gets the fern on it it is not worth £1 afterwards when the noxious weeds get on it. It has been pointed out to me with regard to transfers, they think that from father to son and father to daughter transfers might be granted, say, instead of having to wait five years in the case of a genuine settler; it seems that the Board ought to have power to grant them.

264. Have any cases arisen where there is hardship in waiting five years?—I could not point out. I was asked to mention it.

265. The main point is the disabilities under which the settlers at Wakamarina and Rai Valley are working who have small areas, and that it is very desirable to retain them by getting some of the areas worked out in the State forest?—Yes, and the State Forest Proclamation wants lifting.

266. You say in the Wakamarina there is practically no milling-timber?—Yes, some portions the Board would be careful to reserve. Settlers were applying for this land and the reply was that nothing could be done until the whole of this 800 acres was cut out. We do not want the timber destroyed. The object I want to impress upon the Commission is that we want the land before the whole of it is cut out—before it is ruined by the fern.

267. You would even open 100 acres at a time?—Yes. It nearly always follows that a fire gets into it some way or other. You would not be running much risk if you let the settlers have 100 acres.

268. You want power to deal with this as it is cut out?—I am speaking from the settlers' point of view—I am voicing the opinion of most settlers.

269. How much do you allow the sawmiller to get set aside at a time—800 acres?—Two hundred acres he is allowed at first and 600 acres later on. If as soon as he has cut 200 acres you could put it up and give him another 200 acres, that would be better, but now we are told that we must wait till the whole of that 800 acres is cut out. Almost on every occasion it gets fired by accident.

270. *Mr. Paul.*] Are the areas under the land for settlements fairly suitable?—Are you referring to Flaxbourne?

271. Take those that are settled upon, Starborough and Blind River?—Blind River was found to be rather small, but they have been amalgamated. Starborough has been a more successful settlement, and we have had very splendid competition for Flaxbourne.

272. There seems to be an impression abroad that Flaxbourne has been subdivided into too-small areas: do you think that is so?—I could not say for myself. I have only been through the country once. I think there is only one run that is not applied for—there may be some little pieces, but there is no doubt it will all go off at this ballot.

273. Forming an opinion from that, you would conclude that the areas were about right?—I think so. There may be one instance where they have been divided where it would have been better to have left them alone.

274. Do you think those areas of 50, 60, 70, and 90 acres are suitable?—Suitable to men according to their means. Men with different means go for different blocks. There are applications for 5 acres and applications for all the groups.

275. In the Marlborough Land District are there any settlers without roads?—I could not say; I suppose there are some in every district.

276. Are there settlers without reasonable access?—I suppose there are sure to be an odd one or two, but I think, compared with the other parts of New Zealand, Marlborough is roaded very well.

277. Do you have many applications made to the Land Board to exempt tenants from residence?—No, not many.

278. Are there many on account of want of access?—No, very few.

279. You proposed that transfers from relatives should be made easier: do you think that would promote better settlement?—Well, I look at it this way: sometimes a father has a son not quite twenty-one, and he has to take the land up himself, and if he could transfer it as soon as his son came to twenty-one, or his daughter, that would be a reasonable ground for transferring it over to him.

280. You know as a member of the Land Board some check would have to be exercised on transfers of that description: we have heard of dummyism?—You could not call it "dummyism" if it is in the same family, and the boy was landless.

281. You could call it "dummyism" if there were two or three boys working in town: they simply put in an application for the land, with no intention of going on it, and transfer it to some member of the family?—It would simply be ridiculous. It would be the Land Board's fault if they did not carry out the residence conditions.

282. You think the period in which the transfer might be exercised can be reduced with the supervision of the Land Board?—In family matters I think they should. I do not think five years is too long, otherwise with extraordinary circumstances we have that power now.

283. You think the Land Board would prevent anything approaching dummyism?—Yes, if they possibly could.

284. *Mr. McLennan.*] In your opinion, have the tenants under the Land for Settlements Act put

good improvements on their holdings?—I think so. Generally, they have been much in excess of what is required by law.

285. Is there any dissatisfaction amongst them with regard to the cropping restrictions?—I have not heard of any. I believe in a free lease, and by that I mean that a man should be allowed to dispose of his lease with all his improvements, and that he should have the right so long as he complies with the law to transfer without the Land Board saying that some of his improvements should go to the Crown. That one point causes a good deal of the dissatisfaction amongst the tenants.

286. You would advocate the farmer having a free hand on his holding to do as he thinks fit, provided he does a certain amount of improvements and resides on it for a certain number of years?—I would not like to give an opinion on that point. He might take all he could get out of the land and leave it.

287. But supposing he had 33 per cent. of improvements on the capital value, it would not pay him to leave it or abuse his land by taking too many crops out of it?—No, it would not; but I do not see why there should be very stringent restrictions. Very often the farmer knows more about the cropping capabilities of his land than the members of the Land Board.

288. Supposing he had resided on his property for ten years, surely he ought to know by that time how to farm that land?—He ought to know something about it, or else he would have farmed himself out of it.

289. Would it be advisable to give him a free hand after ten years' residence, and after doing 33 per cent. of improvements on the capital values?—I think it would be.

290. *Mr. Anstey.*] With regard to the Bush and Swamp Lands Act, the settlers under that Act are exempt from the payment of rent and rates for four years?—For three to four years.

291. Do you think it is wise that they should be exempt from paying rates as well as rent?—That Act was supposed to help the man who had no means at all, and in the case of the land included in the Act you cannot make anything out of it within two years. You could not make the rates, very likely.

292. But if you have not the roads you cannot do anything with it?—That is so.

293. Would it not be better that the rates should be paid and the money spent on the roads?—It is the most liberal measure ever put on the statute-book and I would not want to alter it. It is in the interests of the struggling settler.

294. You say that State forests should be opened to settlement immediately the milling-timber is off?—Yes.

295. How about roading those sections involving additional expenditure?—It might be so in some cases. In the particular case of ours it would not mean additional expenditure. We have one main road going through the Wakamarina, and it would not mean any more roading. But you want 500 acres there to make a living. That is the least you should have in that part of the country.

296. In many cases it would require additional roading?—Yes, in some cases, but in our district we are very free from that.

297. Have you had any experience of the second ballot in this district?—I do not believe in the grouping.

298. Have you ever had the second ballot here before?—I could not say. The only time I had anything to do with it was at Kaikoura. We had this grouping system there, and the present is my second experience. The grouping has caused a lot of dissatisfaction, in fact they tell me that many intending applicants would not go in owing to the grouping. I think it was put into the Act to provide against dummymism or swindling, but I do not think the members of the Board would forfeit any man's deposit, which is what is feared by applicants for land.

299. I understand your Board has made it public that they will not insist on any man taking a section if he does not want it?—I think so, at any rate every member has said so.

300. You think that ought to be done in all cases?—Yes, unless a man proved to be a rogue.

301. You think that we ought to do away with the second ballot?—I do.

302. Would you do away with the grouping altogether? Is it not necessary to group to some extent according to people's means?—If there was no grouping an applicant would only put in his application for the section he has got the means for, but under the present grouping system he might put in for a small section and draw a big one which he cannot afford to take.

303. You examine your applicants as to their means?—Yes.

304. Is there any necessity to examine applicants at all?—I think so.

305. What do you examine them for?—To see if their statement is true.

306. And for their means?—Yes.

307. If a man had only £50 would you allow him to apply for all the sections in Flaxbourne?—No, only according to his means.

308. Is not that grouping?—If there was no grouping he would have to apply for a certain section.

309. That you indicate for him?—Yes.

310. Is not that grouping?—That is not my opinion. I think it should be done away with altogether.

311. *Mr. Johnston.*] The area you spoke of is reserved for goldfields purposes?—Yes, but on parts of it there has never been any gold found.

312. Supposing gold was discovered?—Mining-rights are always reserved.

313. Under the lease in perpetuity—under that system you would not reserve at all?—No.

314. Do you want to take those small areas you spoke of into the forest reserve?—Certainly.

315. Do you not think it is good timber-country?—There is scarcely any timber at all on the country I am referring to. The settlers have the frontage sections and the timber was destroyed many years ago, and the back country is too hilly to get the teams through to get the logs out.

316. Is that part of the country in the hands of the Land Board to deal with?—No.

317. It is in the hands of the Government?—The Proclamation has to be lifted before it can be dealt with at all.

318. Are all the sections on Flaxbourne applied for?—I think so. There are four hundred applicants, but some of them are for the one section.

319. You believe in the free transfer of all sections?—Yes.

320. Do you not think that that encourages speculation pure and simple?—I do not think so.

321. Take the case of one of these lease-in-perpetuity sections on Starborough when the man was buying it out and paid a large sum of money for it: would you not consider whether he was or was not paying beyond his means for it and beyond the value of the property before you allowed the transfer?—I would not consider it at all.

322. Supposing the man was not able to pay his rent eventually to the Government?—The Government would have hundreds of pounds of improvements that would have to be on it before you could grant the transfer. The rent would not have increased.

323. No; but he would have lost a considerable sum of money through a foolish transaction on his own part?—You cannot look after all the fools in the country. If a man likes to give too much money for a place it is his own look-out. He would know more about his own business than the Land Board.

324. Do you not think it is as well in the interests of the settler that the Land Board should inquire into this transfer first?—I do not think they have any right to inquire into it. That is the very thing that is causing dissatisfaction amongst leaseholders.

325. You say that you think Flaxbourne is valued too high?—I did not say anything about it.

326. You said you had only been once on Flaxbourne?—I said I had only been once through it.

327. Who put the values on the different sections?—The Board did not have anything to do with it. I think it was done by the Government.

328. Was Flaxbourne cut up twice?—I believe so.

329. Would it not have been better to have left it as it was under the original survey?—I think so.

HENRY TRENT examined.

330. *The Chairman.*] What is your official position?—Commissioner of Crown lands and Chief Surveyor for the Marlborough Land District. I have held that position twelve months on the first of this month, and previous to that I had been in the service of the Lands and Survey Department for forty-four years.

331. About the valuation of Flaxbourne, Mr. Reader was not quite sure as to who valued the sections that are opened for selection under the Land for Settlements Act. Is it not the function of the Land Board to fix those values?—That was fixed by the award of the Court.

332. But after the capital value of the property has been fixed by the Compensation Court, it is the function of the Board, is it not, to take that capital sum and distribute it over the various sections according to the best of their knowledge and judgment—is that not so?—Quite so.

333. *Mr. Johnston.*] Who did it?—There is a certain amount of work to be done in regard to the valuing of the land, and then it is distributed by the Land Board amongst the various sections.

334. Who was present when it was done?—It was not done by the Board themselves but by the Head Office.

335. *The Chairman.*] And sent over here?—The surveyor, Mr. Brodrick, Mr. Buckhurst, and the valuer here jointly arranged the assessments between them. It was done here, and the Land Board approved of it.

336. The Land Board is responsible for it?—Yes.

337. In law they are. It is their function to settle that matter?—Yes.

337A. *Mr. Anstey.*] Did the Land Board appoint these three gentlemen to fix the values?—No, the Head Office. The Surveyor-General appointed Mr. Buckhurst and Mr. Kenny to make the valuations, and after having made the valuations these gentlemen went over them and apportioned them amongst the different sections or allotments.

338. These gentlemen jointly fixed the individual rents?—Yes.

339. And the Land Board acquiesced in them?—Yes.

340. *Mr. Johnston.*] The Land Board never visited the land at all?—Never. Some members have been over it, and I myself have been over it, but not in the capacity of valuer, more in the capacity of Chief Surveyor.

341. *The Chairman.*] Is there any point you would like to bring before the Commission?—Not that I am aware of. Mr. Reader pointed out one matter with regard to the transfer of leases to families, and I am at one with him in his remarks. I think that in the case of transfers on sons and daughters coming of age, if the parents wish to adjust the lease on the property, it should be facilitated in every possible way.

342. You heard his remarks with regard to the various reserves: do you agree with him in that respect?—I did not hear him.

343. He said that in the Wakamarina and the Rai Valley there are areas which are classed as forest reserves, but are really of no use for timber purposes. The settlers there have small areas, and he recommends that they should be allowed to take a strip off these reserves so as to increase their areas to a suitable size to enable them to make a living: do you agree with that?—I do. These forest reserves are blocking the whole of settlement, and the amount of milling-timber on them is nil. It is a matter of great difficulty to get it off, and the conditions generally are unworkable. Only the settlers already there can utilise this land to any advantage. It is on one side of the Wakamarina.

344. *Mr. Anstey.*] What is your opinion with regard to grouping and second ballot?—There have been all sorts of schemes propounded, but this seems to be the only workable one. I think there must

be some grouping in order to bring the different sections and different values and qualities of land into line.

345. Do you think there should be a second ballot?—I do not quite hold with the system.

346. Do you think it would be wiser to group the sections according to people's means and let them have their choice?—Yes, I hold with the single ballot with grouping.

347. *Mr. Johnston.*] Are you prepared to make any suggestions on the land question?—I have gone carefully through the order of reference of the Commission, but considering my short experience as Commissioner of Crown Lands, I do not think I am justified in making any statement in regard to it. The present law seems to work very well and to give general satisfaction. I have never heard any complaints in this district. The settlers seem to be satisfied with the present tenures. In some localities, like Pelorous and outlying bush districts, the old deferred-payment system might be reverted to. That question was brought forward at the recent conference of Land Boards, and the Minister of Lands and others agreed that in certain prescribed areas it might be suitable.

348. You do not think the restrictions on Crown tenants are proving too harassing?—No. In regard to residence conditions, wherever the Board sees there is any hardship entailed, they take that into consideration. For instance, at Puhipuhi, where the road was bad and the river dangerous, and there was a danger in sending children to school, we relaxed the residence conditions on that account temporarily, and in similar cases we meet the wishes of the settlers as far as we can.

349. Have there been any complaints in regard to the working of the Advances to Settlers Department?—There have been one or two minor complaints.

350. Was Flaxbourne cut up differently to what it is at present?—At first it was.

351. How many sections were resurveyed?—Pretty near the whole of them were subdivided.

352. Why?—I could not say.

353. Do you think the second cutting-up was judicious?—In some cases perhaps it was not, but in other cases it was quite advisable.

354. Did not the Minister of Lands approve of the way it was cut up in the first instance?—He did, I believe.

355. Then, he altered his mind?—I believe he did.

356. *Mr. McLennan.*] Would you be in favour of allowing tenants a free hand in managing their own farms after making a certain amount of improvements and residing on the land for a certain number of years?—I think they should be amenable to the existing regulations. The conditions of cropping vary very much.

357. If you allowed the settlers to farm as they think fit, do you not think it would make them more contented?—I do not think they should on principle. I think they should be subject to regulations, and the Ranger should have the discretion of saying whether they are using their land properly or not. I do not think it would be a desirable thing to give them a free hand.

358. *Mr. Johnston.*] Are the Land Boards satisfactory as at present constituted?—Yes, I think so.

359. Has the Board given satisfaction in this district?—Yes.

WILLIAM BLYTH BUCHKURST re-examined.

360. *Mr. Johnston.*] I want you to explain the position of the Waipapa runs as far as you know about the question?—In the first place, they were cut up by two surveyors who were in charge of the work. Then the Kaikoura Settlers' Association took a hand in the matter, and made representation to the Minister of Lands that it would be advisable that they should be cut up into smaller areas, and instructions were issued that they should be cut up into smaller areas. This was done. One of the runs was not applied for. Another was very quickly surrendered, and then it was found that it would have been better to have adhered to the original survey. The altered boundaries were then wiped out, and practically a return was made to the original survey.

361. If the survey had been left as it was originally, and had not been interfered with by the Kaikoura Settlers' Association, it would have been all right?—Yes.

362. Are the rabbits being kept down?—They have been dealt with, but not in a sufficiently drastic manner, I think.

363. Where are they worst?—On the Clarence River bank.

364. Are they fairly clear on the northern district?—Yes, in the bush district there are very few rabbits. The rabbits chiefly infest the open dry country. The belt of country between the Waiau River and the Clarence River is the worst.

365. Have they depreciated the value of the land?—Not of recent years. They have not been allowed to get ahead.

366. You heard what Mr. Reader said about the reserve at the back of some small settlements at Wakamarina: is part of that land fit for timber purposes?—Yes, and it is very little fit for settlement, as it is too steep.

367. Is the Board conserving the timber for milling purposes for opening up the land?—Yes, wherever there is timber they are prepared to protect it.

368. What leases are they giving?—Ordinary timber licenses.

369. *Mr. Anstey.*] With regard to Flaxbourne, you and Mr. Kenny valued it first?—Yes, in the first place, the Minister of Lands appointed us, and a subsequent valuation was made when the subdivision was made, and then Mr. Brodrick assisted in the subsequent valuation.

370. You had nothing to do with the cutting-up of these sections?—Not in the original case. When the proposal for a resubdivision was made, I was consulted as to where the most suitable sections were for cutting up; others were also consulted.

371. How do you value these sections?—I have been over every bit of the ground eight or ten times.

372. Did you go over each section after the boundaries were fixed?—No, because I was intimately acquainted with the land.

WELLINGTON, MONDAY, 26TH JUNE, 1905.

THOMAS WILLIAM KIRK, F.L.S., examined.

1. *The Chairman.*] What are you?—Government Biologist. I have held the position since 1892.

2. With regard to the various kinds of grasses that do well in New Zealand, perhaps you can give us a statement especially as to renewing high pasture-lands?—With regard to the restoration of a number of practically worn-out pasture-lands, especially at high levels, and also grassing poor lands, I do not think any very great difficulty will be met, provided that you will give the grasses a chance, and not overstock as soon as you have sown them. I do not know whether the members of the Commission had an opportunity of examining the paddock at Okoroire, in the Waikato district, but it was very poor land indeed, and the great difficulty in the Waikato was to obtain permanent pasture. The grasses in the Waikato used to be sown, and in a year or two were beginning to get scarce again, and then the old routine had to be repeated—viz., plough, grow turnips, then grass. The danthonia, or, rather, two species of danthonia and Cheving's fescue, were used, and the Department was able to prove that permanent pasture of considerable value could be established on that poor soil around Okoroire. It was that experiment there which had a great deal to do with the adoption of these grasses on the poorer lands of the north. That paddock was sown, I do not remember exactly the number of head of stock it carried, but the paddock gave a really good sward and is in its ninth year now. I have not seen it for twelve months, but the last time I saw it it was as good a paddock as you could wish to see. There is here a small leaflet I issued some years ago on the various native grasses, and the brief notes marked show the values of danthonia, and one or two other grasses.

Danthonia pilosa, R. Br. (Hard Tussac.) An excellent grass for mixed pasturage. Forms a good sole; is very hardy, of rapid growth after cropping, and affords a good yield of nutritious herbage. Eaten by horses, cattle, and sheep alike, and not only holds its own but exhibits a decided improvement when cultivated with ryegrass, fescues, &c. Being deep-rooted, it suffers less during dry seasons than many other kinds.

Danthonia pilosa, var. *gracilis*. Equal in value to the typical forms, but the yield of herbage is less.

Danthonia semiannularis, R. Br. (New Zealand Oat-grass.) Lowland form. A common lowland grass of great value for mixed pasturage. It produces a large amount of rather dry but very nutritious herbage. Grows quickly, forms a compact sole, and is liked by stock of all kinds. In many districts it forms a large proportion of the herbage, but attains its greatest luxuriance under cultivation. Excellent for resisting drought.

Danthonia semiannularis, var. *alpina*. Lake Harris; 4,000ft. A grass of great value, especially for sheep.

Danthonia semiannularis, var. *cæspitosa*. Nelson Mountains. An excellent sheep-grass mixed with ordinary pastures, and very hardy.

Microlæna stipoides, Ehrhart. (Meadow Rice-grass.) Of very high value for mixed pasturage in all moderately warm districts. Affords a large quantity of soft nutritious herbage, forms a very compact sole, is of very early growth, patient under severe cropping; grows quickly, and adapts itself to nearly all soil and situations except undrained wet land. It does best in warm country, being somewhat impatient of severe frost and snow, although it is found in mountain districts.

Poa intermedia, Buch. (Small Tussac Poa.) A common mountain grass of great value for sheep. Adapts itself readily to cultivation, and appears suitable for ordinary mixed pasturage, especially on light soils of good quality. Endemic.

Poa colensoi (Blue Tussac), 3,000 ft. An alpine and sub-alpine grass of great value. Very hardy, and grows quickly after being cropped. Becomes more luxuriant and softer under cultivation. One of the best sheep grasses in the colony, but of less value for horses and cattle, except when in flower. Endemic.

Agropyrum enysii, Kirk. Bealey Gorge; 3,000 ft. A sub-alpine and alpine grass, eaten by stock of all kinds, and highly nutritious. It seems likely to prove of great value for cultivation in cool lands. Endemic.

Agropyrum scabrum, Beauv. (Blue Mountain Grass.) Kaikoura Mountains. Sea-level to 4,000 ft. A highly nutritious grass, eaten by all kinds of stock, but especially valuable for horses and cattle. It is very hardy, grows quickly after close cropping, and affords a generous yield, but is apt to die out unless allowed to perfect seed occasionally. A grass of high value.

Trisetum antarcticum, var. *effusum*. Amuri; 4,000 ft. A mountain form of this valuable grass, which affords an unusually large yield of soft nutritious herbage. It is eaten by stock of all kinds, especially sheep; is very hardy, and seems well adapted for cultivation in mixed pasturages, but has not been properly tested.

Trisetum antarcticum, Trimens, var. *strictum*. (Shining Oat-grass.) The common lowland form of a grass, equally valuable and variable, eaten by stock of all kinds. Hardy and quick of growth after being closely cropped. Affords a heavy yield of nutritious herbage. Has not been tested under cultivation, but believe it to be of high value for mixed pasturage, and consider it superior to its near relative, *Trisetum flavescens*.

Those are grasses that are principally suitable with Cheving's fescue for use on the poorer lands, largely because of their tremendous root-system. They are not grasses that I would ever advocate sowing on rich lands. There are other native grasses of very great value, but these are the ones that have caught on principally at present, and they have great resistance. One great value of danthonia is, that it may be sown through burnt-manuka land, then, when the manuka-seed that is on the ground comes away, the danthonia will carry a rapid fire through the old standing manuka and kill the seedlings but will not itself be killed.

3. And the deep roots will help it to resist the frosts?—Undoubtedly. There is a Government horse paddock owned by this Department at Johnsonville. It was a very rough paddock and fire was passed up the main gully of it; the Stock Inspector here was supplied with some seed of danthonia, Chewing's fescue, and a little crested dogtail seed amongst it. Now, the first year when we had that paddock, before it was fired, it only held three horses, and they had to be fed in the middle of winter. The following winter that paddock held five horses, and they came out thoroughly fat and did not have a bite of extra food during the winter.

4. The five horses were fed upon the danthonia?—Yes. My own horse was there right through the winter and did not have a bite except what it got in the paddock.

5. *Mr. Johnston.*] In the native pastures down in Otago and Canterbury there used to be the little annis plant wonderfully prevalent all over the pastures, and it was appreciated by sheep and cattle, and there was also blue tussock, and other grasses?—The principal cause of their disappearance, I think, was that the settlers thought they had to burn them very frequently. It is true they get a considerable growth of nice young feed after that, but they burnt too much and burnt the soul out of them. If you keep on taking the foliage off any plant you will soon kill it. That was probably the principal agency, but, as you know, the swarm of rabbits has a great deal to do with it.

6. Many people deliberately tried to get rid of native grass to sow imported; do you not think these might come again without any sowing at all?—If you lock up your country, and keep your stock and rabbits off, they will come again if there are a few plants there to seed. This danthonia is an indigenous native grass. It is also indigenous to Australia. There was not much of it to be seen near Johnsonville until after sowing that paddock, and now you can find it very thick all over the paddock and on adjoining properties. It is a very valuable grass indeed for some country, but I would not sow it on rich land because I could get something better.

7. In the experimental farms are there any of these grasses being grown experimentally?—There are at the Waikato farms under Mr. Clifton's direction. Of course this Okoroire paddock was given up. At Waerenga there is a considerable area of these grasses that will stand on the poorer lands, that is, *Danthonia pilosa*, *Danthonia semiannularis*, *Triodia*, Chewing's fescue, and several others that are likely to stand there. At the experimental station at Weraroa, close to Levin, we are now establishing a grass-garden. I got over thirty varieties sown last spring; each of these plots is about one-twentieth of an acre for each kind of grass. I have to have over one hundred plots of clovers and feed-grasses sown next spring. We established a similar collection at Momohaki. They have now been allowed to go back, because a building is to be put on that spot; but at Levin we are now establishing the same thing, and the object is that if a farmer wants to know about a particular grass he goes and looks at the plot, and that is better than an hour of descriptive talk with him, and you can talk relative merits of grasses to him after he has seen the plots. Then, we cut these plots whenever they need it and weigh the material off them, and that gives us an idea of the amount of herbage per acre available per year. Then, the rarer ones will act as seed-plots from which seeds can be taken so as to test the feeding-values on larger areas. We found at Momohaki they were one of the most popular exhibits on the station, and the farmers got amongst the grass-plots and discussed them for hours, but that collection has, as already stated, been allowed to go back. Before this time next year we shall have a very fine collection at Levin. Yes, I have got the *Danthonia pilosa* there now.

8. *The Chairman.*] These places are not only for departmental experiments, but really educational?—That is the main object of them.

9. For visitors to see them?—Yes; to see them and discuss them; and if they have seen a plot there and want any information that the gardener cannot give them, they drop a note to me and I am only too glad to supply any information in my power. In several annual reports of the Department you will find the Momohaki reports are published. This is very much lighter soil than at Levin.

10. *Mr. Johnston.*] You say there are two kinds of danthonia?—Two specially good species, but there are many kinds.

11. Are those two especially good for poor country?—Yes, that is the point.

12. Those two you specially recommend: are they suitable for sowing on the poor land down south, and are they suitable for the pipeclay land of the North of Auckland?—For both. You will find them growing on both now.

13. Where is the alpine variety of *Danthonia semiannularis* you mention got?—In different places. I found it growing at Lake Harris.

14. Has your Department made any experiments of this high country down south?—No; we have no land at present at our disposal for this high-country experimental work. That is the point I should like to bring out, the necessity for more experimental stations than we have got. We have, at present, no land at our disposal for work of this kind. It could easily be done if we had a bit of land; but there is no doubt whatever that these grasses will succeed, because I have seen them growing there and collected them there, and I have seen them spreading on to land where they did not previously exist.

15. We have evidence of them in the North of Auckland, but not in the south, and there is heaps of country down there suitable for experimental purposes?—We should only need to fence a few acres.

16. Have you tried it on that pipeclay country north of Auckland? Have you tried experiments with the various kinds?—No; we have no land in the district you name to try it with.

17. Is there any of this pipeclay land at Okoroire?—No; that is all pumice land; it is also wretchedly poor pumice land at Waerenga. I have also seen this grass growing on that pipeclay land north of Auckland, and again at Henderson there is a very good example of how it fights the manuka.

18. Have you seen it up at Russell and Kirikiriri?—I do not remember any paddock of it there, but it is growing about the roads and through the manuka.

19. Do you know anything about this *Paspalum dilatatum* for this class of country?—That is an imported grass and it does best in warm country; it will not do so well down here. I do not think it

would pay. I have a plot of it at Levin. It will grow 9 ft. high under special conditions, and I have seen that grass in the north cut five times. It is a suitable grass for some places north of Auckland. It is suitable for those who have a dairy-farm up there; but they should not stock it too heavily and too continuously; if they stock it too heavily they will exhaust it, but it has a fine root-system and will stand a great deal.

20. Will it stand fire?—No; the danthonia and native grasses are the best to stand fire.

21. Do you know what were the original native grasses in Otago and Canterbury?—Danthonia and poas principally. There is another one that goes by the name of *Deyeuxia forsteri* or toothed bent-grass.

22. What mixture do you think ought to be sown on the hills at Lake Wakatipu?—If I was going to sow there, the first thing I would do would be to get people to collect the grass-seed, because that would be better than taking it from the North of Auckland—collect the seeds in the south and take them to Lake Wakatipu and grow them in small areas for seed.

23. Do you not think it would be as well for the Government to shut off, say, 1,000 acres for experimental purposes?—You only want a few acres for experiment.

24. I say 1,000 acres because some people say that it is by spelling the country that the native grasses will grow?—You will find native grasses all over this land, and if you shut that country up, and kept the stock off it and rabbits, in two years' time you would be simply struck with the improvement on it.

25. Do you think it would be advisable for the Government when leases fall in to insist on spelling the country for two years?—Speaking generally, I would say Yes. I would not like to speak of any particular section without I saw it.

26. There would have to be an inspection by competent men to see if these native grasses existed?—Yes.

27. You think that would greatly tend to increase the carrying-capacity of these runs?—Undoubtedly. If you go to Johnsonville you will understand how the native grasses will take possession.

28. That disposes practically of the high country: what would you suggest for that pipeclay land in the North of Auckland?—That pipeclay country in the North of Auckland can be reconstructed with these very grasses that were used at Okoroire and Waerenga. I know of no imported grasses that will ever hold permanently on these very poor lands. Nature has provided our native grasses with qualities that make them specially suited, and for years we have done the best to get rid of the native grass and substitute for it the so-called English. I am certain of this, that large areas of New Zealand have got to be put back into native grass.

29. How would you get at the seed of this grass?—I would suggest, if quantities of this seed are likely to be wanted, that some one who knows the grass should be sent out in the season to carefully collect the seed; then establish small paddocks from which the seed could be collected subsequently, and bigger ones could then be sown. When this danthonia began to become popular, several people in the north sowed down paddocks and saved the seed of this grass. I bought a ton and a half a few years ago at 1s. a pound in Auckland. The cost afterwards ran up to 1s. 6d. a pound. A friend of mine, who has a place to the south of Castlepoint, every year, when he sows down new land, mixes in some danthonia for his poorer higher land, and he is satisfied with the results.

30. *The Chairman.*] What was done with this 1½ tons of seed you spoke of?—It was bought for sowing on Government properties.

31. *Mr. Johnston.*] Is this danthonia in any way detrimental to the richer lands?—No; my only objection to it is that I can grow a more paying grass on rich land.

32. What is the carrying-capacity of danthonia?—I cannot say from memory; but I will look the question up and let you know later.*

33. Are you making an effort now to collect native grasses?—No; because I have nowhere at present where I can grow them. I am making collections myself.

34. Do you support the sowing of cocksfoot in high country?—Yes; so long as you do not go too high.

35. Is that the only English grass suitable for that kind of country?—Yes; that is, on the higher country. Other grasses will creep up to a fair height in some localities, but no general rule can be laid down as to the height they will go.

36. You are a strong believer in regrassing with native grasses?—Undoubtedly, both for high country and poor country.

37. *Mr. Anstey.*] You think paspalum would not be suitable for any of the South Island?—It will grow, but it would not give the big yield it would give in a warm district.

38. It would grow fairly well in the low cultivated lands?—Yes.

39. Could danthonia be profitably grown in such country as the Mackenzie country?—I think so.

40. We are told that it will perish out in the course of time?—If danthonia perishes out and Chewing's fescue perishes out there is not much hope for you in that country. I know if it is once established it will take a good deal to perish it. Danthonia will stand better than the big tussock will.

41. Will danthonia stand a cold climate?—Yes.

42. Will it do under snow?—Yes; I have specimens of an alpine form of it which I can show you.

43. How is it there is so little in the south?—There used to be a great deal more, but it has been killed out largely by firing.

* The following is an extract from Mr. Clifton's report:—Fescue paddock at Woodstock, Okoroire: This six-year-old Chewing's fescue paddock of 70 acres is about the only real pasture on this light class of land that can be found throughout the whole of the Waikato, and its carrying capacity is unequalled. The stocking has been as follows: October to December, 1897, 100 sheep; December, 1897, to July, 1898, 170 sheep; July, 1898, to December, 1898, 210 ewes (these lambed in the paddock—85 per cent. of lambs); December, 1898, to April, 1899, 150 sheep. All these sheep improved and were sold off in good condition.

44. Do you not think danthonia stands firing better than tussock?—Yes; but they have been firing so continuously in the south. This danthonia only requires a spell sometimes, that is all.

45. Would it not be well to make some inquiries in foreign countries where grasses are grown for pasture at much higher altitudes than is the case in New Zealand. For instance, in Thibet there are cattle living in much higher altitudes than in this country?—If you give us an experimental station on high lands I will soon get the grasses from foreign countries.

46. Are there not grasses grown at great heights in the Andes?—Yes.

47. Would you not require pieces of land in different parts of the colony for the purpose of experimenting?—A couple of stations in the South Island would be sufficient for the high country.

48. You would want a strip of country from the low land to the high land?—Yes; but, speaking generally, grass which will grow on the high country will grow on the low country.

49. Your experiments at Waerenga and elsewhere cannot be of much value as applied to high lands?—No; only as applied to poor lands.

50. What experiments have you made with regard to the poor tea-tree land to the north of Auckland?—The land at Okoroire is about as poor as you can get.

51. Do you think those experiments would apply equally successfully all over the North of Auckland?—Yes; private people in the north are fighting the tea-tree with danthonia now. Instances of this can be seen about Henderson on that poor blue-and-white pipeclay land.

52. Have you made any experiments with a view of chemically improving that class of land?—No; some manurial experiments have been made on the Waikato stations under Mr. Clifton's charge.

53. Is there not some chemical deficiency in a lot of this manuka land which might be restored artificially?—That is a matter for a chemist to deal with. There is now a chemist attached to our Department, but he has not long had sufficient accommodation to enable him to undertake soil-analysis.

54. We have been told that a certain amount of this land was laid down in gorse, which between burning and one thing and another has eradicated the tea-tree, and the land has been improved chemically?—Undoubtedly; but it is a very risky way of doing it.

55. Could you suggest any other plant which would answer the same purpose as gorse, but which would not be so expensive to eradicate, and which could be more easily replaced by grass?—Lupin would do as well as gorse almost, and would mean less trouble to get rid of afterwards.

56. Would it not be wise to set apart a block of this poor manuka land to the north of Auckland for the purpose of experimenting chemically and otherwise?—I think there should be an experimental station on that poor land north of Auckland to experiment generally as to the utilisation of those poor lands and their possible improvement.

57. With regard to the high lands in the south, do you think the grasses could be renewed by spelling?—I do not see why they should not be, provided a sufficient number of plants survive to afford seed.

58. Can you suggest any way in which they could be spelled?—That would be a matter for the Land Boards. I should think it would be possible under proper inspection.

59. Do you know of any grass which will act upon fern as danthonia does upon tea-tree?—The difficulty in fighting the fern is that the fern overshadows the grass. Danthonia does very well so long as you keep the fern cut. I have not tried any other grass for the purpose. Still, you will find danthonia very useful in fern country.

60. *Mr. McLennan.*] We have in the south a kind of weed called "wild-barley," which grows along the roadsides; would it be suitable for that country to the north of Auckland?—No, because when it is in seed nothing will eat it.

61. I know one or two paddocks where it is growing, and when the grass is not in seed the sheep are very fond of it?—It is an aggressive grass. Its seeds have actually been known to pierce the pelts of sheep. In some portions of England where they keep it from seeding, it is used as pasture. Here it is dangerous.

62. With regard to these runs in Otago and Canterbury, do you think it would be a good idea if the owners were asked to fence off a small portion or paddock on which they could experiment with the different grasses to see which would suit their country best, the seed being supplied to them by the Government?—That would be a practical way of testing the thing.

63. And as to the poor lands in the north, would it not be advisable by means of chemical tests to ascertain what ingredients were wanting in the soil—whether there was too much salt, and so on?—Next year our chemist will, I believe, proceed to test the soils in the different parts of the colony. Hitherto his workrooms have not been large enough.

64. Some of the poor soil up there is well adapted to growing grapes?—Yes.

65. *Mr. Paul.*] You are quite certain that the various species of danthonia would improve the southern runs?—I am as certain as I can be without having tried it over large areas. The grass grows there now. I should like to have a few acres to test.

66. In the south, several witnesses advocated the Department taking over a small area of this very poor land so as to show intending settlers what it is capable of. I gather that is what you mean when you advocate establishing experimental stations in different parts of the country?—Yes. The only other alternative is a scheme I have advocated for some years—that is, a system of co-operative experiments. We would say to the landholder, "If you will find the land for this experiment, we will supply the seed, and we will pay you for your actual labour. What you would lose would be the rent of your land during the years we needed it as an experimental station, but if you as proprietor will undertake to supply and supervise the labour, we will pay you for your actual outlay. At the end of the term, you will not only have improved the area upon which you have been working, but you will have acquired knowledge which will enable you to improve your property as a whole." It is true, of course, that other landholders will reap the benefit, for that is for the good of the country.

67. Has the Department adopted your suggestion?—Only partially. The theory has been approved of, but there does not seem to be enough money available for all these matters.

68. *Mr. Johnston.*] I have received the following letter from Mr. J. G. Wilson:—"23rd June, 1905. —To the Chairman of the Lands Commission, Wellington.—Re *Danthonia pilosa*.—SIR,—Since giving my evidence before your Commission, and correcting that evidence, I am reminded by my son, who paid a visit to Kyeburn Station since Mr. Scobie Mackenzie's death, of some information *re* the sowing of the bag of danthonia sent him. The manager said it had come very well, and he had noticed that where the grass grew the sheep and rabbits were especially fond of grazing on it. I have since heard that the run has carried the sheep better, and this is attributed to Mr. Mackenzie's sowing a considerable amount of grass-seeds of various kinds. A letter from the manager of the run would be of value as showing the result.—Yours, &c., JAMES G. WILSON." Are you aware that Mr. Wilson has been growing danthonia?—Yes. That letter simply bears out my contention as to the utility of these grasses.

69. Where is most of the danthonia seed being got from at the present time?—Auckland.

70. We were told that danthonia will fatten sheep well?—That is true as a comparative statement. It will not fatten sheep as well as grasses on the lower lands. There is another grass called *Microloena stipoides* (meadow rice-grass). In my pamphlet there is this note about it: "Of very high value for mixed pasturage in all moderately warm districts. Affords a large quantity of soft nutritious herbage, forms a compact sole, is of very early growth, patient under severe cropping, grows quickly, and adapts itself to nearly all soil and situations except undrained wet land. It does best in warm countries, being somewhat impatient of severe frost and snow, although it is found in mountain districts." That is a very fine grass indeed, but when it goes to seed the seed has been known to injure sheep. It has such very fine-pointed horns that it pierces their skins.

71. Is there ergot in danthonia?—No, I have never seen it.

72. Or in paspalum?—I have not seen it.

73. It appears to me that paspalum would be a grass that would take ergot?—Any of these rank-growing grasses would be especially liable to take ergot.

74. Is Californian thistle doing much damage, or is there any chance of eradicating it?—There is every chance of eradication under certain conditions. Mr. Williams, of Hawke's Bay, uses an arsenic spray, which kills it to the ground. Speaking generally, skimming it down to the ground is the best plan, but you must not break the roots. I prefer to skim just under the surface.

75. Have you seen them in Southland?—Yes.

76. What is going to be the result of it there?—A great many parts of Southland could be cleared if you could get the tools to work. It often happens that a man skims it and then gets busy with something else, and the plant gets to a certain height before he touches it again. That means the plant has got a new lease of life. Dr. Newman has some land up the coast, and he used to be very much troubled with Californian thistle. I persuaded him to adopt the system of skimming, and after some time he has come to the conclusion that he no longer need be afraid of the Californian thistle. I can give you names of others who have succeeded.

77. Do you think it can be coped with in Southland?—It can be coped with on land where you can use implements, but there is going to be great difficulty in dealing with it on the rough land.

78. Do you not think that a lot of the Southland grass-seed is carrying an enormous amount of thistle-seed to other parts of the colony?—There has been a great deal of Californian thistle-seed in the grass-seed that has come up during recent years.

79. Do you think it is practically impossible to clean ryegrass-seed entirely from the Californian thistle?—It is very difficult to get the thistle-seed entirely out.

80. What is your opinion of ragwort?—Ragwort is certainly a big trouble. It has been spread by means of seed in many districts in the North Island, and it is going to be a trouble to get rid of; but in the case of land you can get at with a spray pump, or can skim as in the case of the Californian thistle, I will guarantee you will get rid of it in two seasons with systematic work, but you must not let it grow between whiles.

81. Is there no way of getting rid of it with stock?—Yes, if you stock heavily with sheep when the ragwort is young, they will eat every leaf of it, but if you leave it too long, they get a disease, and the flesh looks jaundiced. Mr. Gilruth describes the disease under the name of "hepatic cirrhosis." But if you put on a mob for a short time, and then remove them and put on another mob, they will suffer very little indeed, and they will keep the ragwort down, but they will not touch it when it is old.

82. Are there any other weeds of as serious a description as Californian thistle taking possession of the country?—No, excepting sweetbriar and blackberry. There are, however, others which will cause considerable trouble.

83. There is another weed down south that grows in the turnips called "yarr"?—There is a leaflet published about that. It is a weed that does not go into pastoral land. At one time in Europe they used to grow it as a crop for sheep, and one man in America introduced it as a crop for sheep, but they have abandoned it now. It is very troublesome.

84. What about sweetbriar and blackberry?—As far as the sweetbriar is concerned, if it is country I can work a team on, I can get the briar out. The best time to get the briar out is when it is fully in flower. Then take a team to it and drag it out by the roots. You will find that the roots left in the ground very seldom grow again if pulled out at that time, but if pulled out at other times they will send up young shoots and develop fresh plants.

85. What about the blackberry?—That is a very difficult plant to deal with. The best way I have found to tackle very large bushes of blackberry is to spray it with arsenic solution with a good spray-pump. Then you can slash away the larger growth, leave it to dry, and put a fire through it. That gives the plant a severe check; the subsequent growth can be controlled when the young growth

starts. I might add that blackberry-seeds are spread largely by the droppings of birds. There is one other point I would like to mention. I do not know whether it comes within the order of reference of the Commission, but if it is within the scope of the Commission I think it would be very desirable if they thought fit to make a strong recommendation that agricultural experimental stations should be increased in number as quickly as possible in suitable parts of the colony, and that these stations should be so equipped that cadets can be taken on them. I think you would find that a number of young fellows from the country would get quite as much, if not better, information by working on those stations than they would get at an agricultural college because they would get more all-round work, and they would see experiments carried on which they possibly would not see at other places. Such stations would not of necessity differ very much from the present Government farms, but I want to see more of them. For instance, in suitable districts we should have a place where we can test crops of all kinds, also fruit and other trees. I might mention that there is not a single foot of land in the South Island at the disposal of the Department of Agriculture for an experimental station.

86. *Mr. Anstey.*] Do you not think there is a lot of experimental work done at Lincoln College for instance?—Yes, and a lot of very good experimental work is done there too. Lincoln College is quite apart from the Government, and has its own work to perform.

87. *Mr. Johnston.*] There are separate experiments you want to carry out in connection with your own Department?—The experiments at Lincoln College are undoubtedly valuable, but it is not within their scope to carry out many experiments that we should carry out. I wish, also, to draw attention to the desirableness of establishing a complete system of agricultural education, starting at the primary schools.

88. *The Chairman.*] Are there not schools in the colony where the children are taught something of agriculture and gardening?—Yes, a friend of mine, Mr. Davies, of Mauriceville West, within the last two or three years has engaged in that work, and the publication of the results of such work in our annual reports has induced the masters at four other schools to start on similar lines. Those schools are largely dependent on private subscriptions for the material to carry on the work. I think some provision should be made for this. I have done all that I can; ever since 1897 I have urged the encouragement of agricultural education.

89. *Mr. Anstey.*] How are you going to test the land and grasses in regard to stock-carrying?—Simply growing a few kinds of grass in a garden or in a small way is no test as to how those grasses will carry ordinary stock. Tests of that nature as to the carrying of stock are already made at certain stations.

90. How would you propose to carry out such experiments in high country?—By sowing a lot of different areas with different grasses, and then trying stock on them, or by sowing several kinds of grass that are likely to succeed in high country—because the choice is very limited there—and then let the stock have the run of all the different kinds and see which they take to and which stand the wear-and-tear best.

91. With respect to spraying for weeds, do I understand that it does not kill the weeds?—I was speaking just now of such weeds as Californian thistle, blackberry, and sweetbriar, and in no case does it kill the root save by repeated applications killing the foliage and so affecting the root.

92. Spraying is only a temporary expedient?—Yes, in some cases it does fairly well, and in others not so well as frequent cutting; this is according to circumstances.

93. *Mr. Paul.*] In going through the South Island we came across several fine plantations of blue-gum which appeared to be dying. Has a remedy been found for the disease, and can it be economically applied?—It is caused by a scale insect, and I am trying to get a natural enemy in the shape of a small beetle from Australia, but it has been a bad season there and the Government officers have so far been unable to get me a supply. I am not sure that it will be a remedy as far as the South Island is concerned, but I am hoping it will be, and that when we get a supply they will breed sufficiently to attack that scale. They seem to keep it in check in Australia by that means, but whether the South Island is too cold for it I do not know. There is no other economical remedy that you can apply, because the trees are too tall to spray profitably. The younger plantations could be saved by a spray-pump, but the older ones cannot be as far as we know at present. There is only the hope that the natural enemy will beat the scale.

94. Eventually, of course, that scale will kill the plantations?—It has killed some.

95. *Mr. Johnston.*] Can you prevent the spread of it to this Island?—Not if any man is foolish enough to bring a piece of blue-gum that is infected up here.

96. Have you ever seen Californian thistle killed by half a stack of straw being thrown on the top and left there to rot?—Yes, that is one way, and I have also seen a stack of straw put on and the thistle coming right through.

97. *Mr. Anstey.*] Have not Californian thistles been known to grow right through straw-stacks?—I have known them grow through a loose straw-stack. If it is loose straw they will grow through. You want to make it solid.

98. *The Chairman.*] Do you think that restrictions with regard to cropping are necessary on the improved estates belonging to the Crown?—Some restrictions are undoubtedly necessary, but I think they would have to be varied in almost every case. I do not think it is possible to lay down a hard-and-fast rule applicable to all Crown lands.

99. *Mr. Anstey.*] Do you think it is quite correct to speak of a "green" crop as a crop at all?—If by a "green" crop you mean a crop of legumes, such as beans or peas, then I would say that in many respects they really benefit the soil, because, although you cut them off, if you retain their roots in the ground they add a large amount of nitrogen to the soil.

100. What about a turnip-crop?—The turnip-crop does not do that to the same extent. It is not so exhausting as a white crop, but it does not add to the soil as a crop of legumes does.

101. Is a turnip-crop an exhausting crop at all?—I would not call it an exhausting crop, but it is not a recuperative crop in the same sense that peas, beans, and clover are.

102. In the event of manure being applied with the turnips and the latter being fed off the ground, is there any necessity to then restrict your turnip or green crop?—Not so much. If my turnips are sown with manure and are fed off I would not, under ordinary circumstances, object.

103. Do you think that it would be wise for the Government restriction to apply only to white or straw crops which are removed from the land?—I would not lay down a rule like that. I think the conditions should be varied practically with each lease that you let.

104. The settlers down South say that two straw crops and one green crop do not suit the position and that one green crop is not sufficient to allow them to clean the land?—Personally, I cannot say very much about the Government regulation, neither can I say that I should or should not impose that restriction myself if I had a tenant, it would depend on the land and circumstances.

105. *Mr. McLennan.*] In your opinion would it be advisable after a man has resided on his property for ten years, and has made improvements equal to two-thirds of the capital value during that period, to remove these restrictions after that period?—I should say that if the authorities thought that the improvements were sufficient and that the man was a good farmer after he had worked for ten years he might perhaps be given the control.

106. You know that a man is more independent if he has the management of his own farm in his own hands?—Undoubtedly.

107. In South Canterbury and Otago some of the estates which have been purchased have been very bad with couch, and the settlers have endeavoured to eradicate it by farming, but they have not been very successful. According to the regulations they have to put grass in immediately after the turnips, whether the ground is cleared or not. Do you think that is a good system of farming?—Again the question must come back to what I said before—that you must vary the regulations to suit the conditions of each farm. I certainly think it is a mistake to compel a man to put down grass if he wants to eradicate the couch-grass.

108. In your opinion the land would not suffer supposing you took off three turnip or green crops in succession until such time as you got rid of the couch-grass?—That depends on the land. I would not say that a particular farm would not suffer, but there are undoubtedly times when the taking of an additional crop off the land is advisable.

109. Would you agree that after ten years' farming a man ought to be competent to manage his own affairs?—He ought to be.

110. If he is not, all the Rangers in the country would not make him a farmer?—If he is not a farmer by that time you had better take his land from him and give it to some one who is a farmer.

JOHN STRAUCHON examined.

111. *The Chairman.*] You are Commissioner of Crown Lands and Chief Surveyor for the Wellington Province?—Yes, and have held that position for three years and a half. Before that I was nine years in Taranaki and two years in Westland in the same position, and previous to that I was District Surveyor at Mataura.

112. How many years have you been in the Government service?—Forty-three years.

113. I think you have a statement which you wish to read?—Yes.

I have prepared a compendium or synopsis of the various Acts and regulations dealing with the settlement of Crown lands in this district, and in doing so have endeavoured to bring out in a clear and graphic manner the principal sections dealing with the many different phases of the question.

I have endeavoured in the first place to show what are Crown lands, and what steps intending settlers have to take to apply for and get on the land, also when they have got there what is required of them in the way of residence and improvements, &c., under the various tenures now in operation. I may here say that, although there are some districts where other tenures such as obtain in the mining districts, &c., are in operation, still my notes and remarks so far as they go are equally applicable to every district in the colony. A chapter has been devoted to explaining the much-vexed question of classification of Crown and Native lands, and for this purpose I have quoted from the official records in my office, a most able and lucid explanation prepared (read before the then Land Board and adopted by that body, and also by the present Land Board) by my predecessor in office, Mr. J. W. A. Marchant, now Surveyor-General of the colony.

Another chapter has been devoted to the question of "thirds" and "fourths," showing their derivation and application, &c. Proposed amendments in the Land Acts are presented and discussed. Tables have been prepared showing the numbers of selectors under the various tenures, and numerous other details in connection therewith. Also showing the areas of Crown lands and of Native land in this district, giving approximately the respective areas occupied or partially occupied, and those unoccupied. This table also sets out the areas that have passed through the Native Land Court, and those not yet dealt with, and also shows separately the area now under the jurisdiction of the Maori Land Councils in the Wellington Land District. Another shows the principal endowment lands, State forest, and ordinary forest reserves.

A chapter is devoted to general remarks on the various tenures.

A few reasons are also given why the proposal made by Mr. Job Vile, at Palmerston North, in regard to the Post Office collecting the land revenue, would not in my opinion work satisfactorily.

During the recent tour I had the pleasure of making, in company with the southern portion of the Land Commission, the question of the rate of interest demanded by private lenders from Crown tenants under the occupation-with-right-of-purchase and lease-in-perpetuity tenures respectively was repeatedly

referred to in the evidence taken. I have therefore prepared a tabular statement showing in parallel columns what these have been in the cases of private mortgages under these tenures passed by the Wellington Land Board during the past six months.

The order of reference has been taken up and dealt with seriatim.

I have also had *precis* prepared dealing with the various complaints made against the administration of the Land Board, which I think when read will prove that these complaints are utterly unfounded, of a trivial nature, or such as the Board was compelled by law to carry out.

These papers have stretched out to a much greater length than I originally intended, but I feel sure there is nothing in them that is not of interest to this Commission.

COMPENDIUM OF LAND ACTS, REGULATIONS, ETC., AS AFFECTING LAND-SETTLEMENT IN THE WELLINGTON LAND DISTRICT.

Crown lands in the Wellington District comprise for the most part Native lands which have been purchased or otherwise acquired in freehold from the Natives on behalf of His Majesty. They may be dealt with under the provisions of "The Land Act, 1892," and its amendments; "The Bush and Swamp Crown Lands Settlement Act, 1903"; "The Public Reserves Act, 1881," and its amendments; "The State Forests Act, 1885"; and "The Lands Improvement and Native Lands Acquisition Act, 1894."

Lands purchased by the Crown from private owners under the powers given by "The Land for Settlements Consolidation Act, 1900," and its amendments, are leased or disposed of under the special provisions of that Act.

Ordinary Crown lands may be offered for sale or selection either as surveyed or unsurveyed, due provision being made for public reserves under "The Public Reserves Act, 1881"; for State forests under "The State Forests Act, 1885," and for primary education reserves up to 5 per cent. under "The Education Act, 1877," and its amendments. Special care is taken to withhold from sale lands suitable for scenic or milling purposes.

All Crown lands consist of three following classes :—

"Land Act, 1892," sec. 111.

(1.) Town and village lands, the upset prices of which are respectively not less than £20 and £3 per acre. Such lands are offered for cash by public auction, and, if not then disposed of, may be leased thereafter for any term not exceeding fourteen years, at a rent not less than 5 per cent. on the upset price.

Sec. 111.

(2.) Suburban land—in the vicinity of town and village lands. Minimum upset price, £2 per acre. These lands are dealt with in the same manner as (1).

Sec. 112.

(3.) Rural land : Lands not reserved for towns or villages or other public purposes.

Rural lands may be classified into either first-class land at not less than £1 per acre, or second-class land at not less than 5s. per acre. They may be dealt with in the following ways :—

Secs. 67 and 68.

(a.) By offering for cash by public auction in lots not exceeding 640 acres of first-class, or 2,000 acres of second-class land.

Sec. 136.

(b.) By opening for application on optional systems under Part III. of "The Land Act, 1892—viz., for cash, occupation with right of purchase, or lease in perpetuity at the option of the selector. Limits of areas of lots same as (a).

Secs. 162 to 171.

(c.) By allotment to special-settlement associations numbering not less than twelve on lease in perpetuity only, under Part IV. of "The Land Act, 1892," in areas not exceeding 320 acres, except in case of swamp lands, in which area may be increased to 500 acres. Minimum price, 10s. per acre. Rent not less than 4 per cent. per annum on capital value.

Sec. 169.

(d.) By opening for sale or lease under Part IV. of "The Land Act, 1892," as village settlements which may comprise village lots not exceeding 1 acre, and village-homestead allotments not exceeding 100 acres. Village lots may be offered for cash by public auction at a minimum upset price of £3 per lot, or may be opened for application on optional systems under Part III. of "The Land Act, 1892." Village homesteads can be open for application on lease in perpetuity only. Minimum price, 10s. per acre. Rent not less than 4 per cent. per annum. No such lease shall be liable to be seized or sold by legal process for debt or in bankruptcy.

"Land Act, 1895," sec. 13.

Lessees of village homesteads may increase their holdings (with the consent of the Minister) up to 100 acres by selection of adjoining land, without competition, under section 13 of "The Land Act Amendment Act, 1895." Minimum price not less than 10s. per acre.

"Land Act, 1892," sec. 172.

(e.) Pastoral rural lands may be classified into first-class small grazing-runs not exceeding 5,000 acres, and into second-class small grazing-runs not exceeding 20,000 acres, and opened for application under Part IV. of "The Land Act, 1892." Term of lease,

twenty-one years, with right of renewal or valuation for improvements. Minimum price, 5s. per acre. Rent not less than $2\frac{1}{2}$ per cent. per annum on capital value.

- (f.) Rural lands wholly or partly suited for pastoral purposes may be classified into :—

Sec. 189.

(1.) Pastoral lands which are suitable only for depasturing more than five thousand sheep, and

Sec. 187.

(2.) Pastoral agricultural lands suitable for subdivision into areas less than 5,000 acres. Term of lease of pastoral lands not to exceed twenty-one years. Pastoral agricultural land may be disposed of under any part of the Act that the Governor thinks fit. Pastoral runs must be offered by auction, and are dealt with under Part VI. of "The Land Act, 1892."

Sec. 121.

- (g.) Rural lands on or adjacent to which any mineral, oil, gas, metal, or valuable stone are discovered, may be withdrawn from sale and opened for application on lease in perpetuity only under Part III., on small-grazing-run leases under Part V., or on pastoral lease under Part VI. of "The Land Act, 1892," as provided by section 121 of the same Act. When dealt with in this manner the lessee has no right to any mineral, &c., under the surface. Crown lands within mining districts may be dealt with in same manner. (See section 119 of Act.)

Sec. 114.

- (h.) Surveyed or unsurveyed rural land may be allotted without competition to any contiguous selector of less than 640 acres under Part III. of the Land Act, or under any similar tenure under any former Act up to the prescribed limit of area—viz., 2,000 acres, inclusive of not more than 640 acres of first-class land. Minimum price, £1 per acre.

Sec. 115.

- (i.) Unsurveyed rural land not exceeding 640 acres may, with the Governor's approval, be allotted to any person desirous of acquiring it under any tenure on payment of cost of survey. Land Board fixes price.

Sec. 117.

- (j.) Rural lands not exceeding 50 acres in area, to which there is no convenient way of access, or which are too small for public sale, or which take up the frontage of lands already granted, &c., may, with the Minister's consent, be sold to adjacent owners without competition. Minimum price, £1 per acre

Sec. 118.

- (k.) Rural lands deemed to possess special value owing to superior quality for agricultural purposes, proximity to constructed or projected lines of railway, or on account of minerals, timber, &c., may be offered for sale or lease by public auction in such manner and at such price as the Board thinks fit.

Sec. 219.

- (l.) Pastoral lands may be leased temporarily for grazing purposes, with the consent of the Governor, for any period not exceeding three years, at whatever rental is deemed equitable.

Sec. 222.

- (m.) Crown lands may be leased in areas not exceeding 80 acres for any period not exceeding seven years, for the cutting and removing of timber, bark, flax, removal of clay for bricks, sites for sawmills, flax-mills, tanneries, inns, accommodation-houses, &c.

Sec. 223.

Board may grant the holder of a license for inn or accommodation-house site, a lease for any term not exceeding twenty-one years. This does not give a right to sell spirituous liquors.

Sec. 226.

- (n.) Rural lands not exceeding 200 acres in area may be let for any term not exceeding three years for any of the purposes mentioned in section 222 of "The Land Act, 1892," and if the Board sees no objection it may, during the currency of such occupation, grant a lease for the same land for any term not exceeding twenty-one years.

Sec. 227.

- (o.) Rural timbered lands not exceeding 600 acres in area may be set aside for sawmill proprietors and others, and disposed of in the manner provided in the timber regulations.

Sec. 228.

- (p.) Rural lands may be leased by public auction in lots not exceeding 2,000 acres for the purpose of cutting or removing flax. Term of lease not to exceed seven years.

Sec. 231.

- (q.) Crown lands on which kauri-gum is situated. Annual licenses to dig for and remove gum may be granted on payment of fees of 5s. each, which go as county revenue.

Sec. 116.

- (r.) Licenses from year to year for occupation for grazing purposes may be granted or offered by public auction of any area of Crown lands under section 116 of "The Land Act, 1892."

Sec. 242.

- (s.) Crown lands containing, or adjacent to, any mineral or other springs, may be leased by the Governor in areas not exceeding 7 acres for any term not exceeding sixty-three years.

"Land Act, 1895," sec. 14.

- (t.) For the purpose of encouraging the establishment of industrial, rescue, and reformatory homes, the Minister may grant a society the exclusive right to select a site not exceeding 100 acres. Term, twenty-one years with perpetual right of renewal. Rent, 5 per cent. per annum on capital value.

Improved-farm settlement.

- (u.) Rural lands may be disposed of by ballot or otherwise to deserving men out of employment, or to those unable to select land in the usual way. Areas to be not less than 10 nor more than 200 acres. Tenure: occupation with right of purchase or lease in perpetuity, at the option of the selector. Disposal under "The Lands Improvement and Native Land Acquisition Act, 1894," and the regulations made thereunder.

Selection before survey.

- (v.) "Unsurveyed" rural lands offered for free selection are usually opened under Part III. of "The Land Act, 1892." They may be also disposed of under sections 114 and 115 of the same Act. Applications under 63 and 64. Form of application is given in section 109.

SUMMARY OF MAXIMUM AREAS THAT MAY BE HELD UNDER VARIOUS TENURES.

Under "The Land Act, 1892."

Town, village, and suburban land offered by public auction, no limit (sec. 111); rural land offered by public auction, 2,000 acres, including not more than 640 acres first class (sec. 96, &c.)

Optional system (Part III., Sec. 96 and 136): Cash, occupation with right of purchase, and lease in perpetuity, 2,000 acres, including not more than 640 acres first class.

Farm homestead (lease in perpetuity): 320 acres (500 acres in case of swamp land), (sec. 164).

Village homestead (lease in perpetuity), 640 acres, but no allotment shall exceed 100 acres (sec. 169).

Small grazing-runs (Part V., sec. 172): First-class runs 5,000 acres; second-class runs, 20,000 acres.

Pastoral lands (Part VI., sec. 187): Pastoral runs, to carry 20,000 sheep or 4,000 head of cattle; pastoral agricultural runs, 5,000 acres.

Without competition: 2,000 acres, including not more than 640 acres of first-class (sec. 114); 640 acres (sec. 115); 50 acres (sec. 117). No limit, but generally in small areas (sec. 118). No limit, but would probably be governed by areas as in pastoral land (sec. 219).

Miscellaneous licenses granted up to 80 acres (sec. 222); up to 200 acres (sec. 226); sawmills, &c., up to 600 acres, in 200-acre lots (sec. 227); flax, up to 2,000 acres (sec. 228); yearly grazing licenses, area unlimited (sec. 116); mineral-spring leases, &c., 7 acres (sec. 224).

Under "The Land Act Amendment Act, 1895."

Industrial homes, &c., 100 acres (sec. 14).

Under "The Lands Improvement and Native Lands Acquisition Act, 1894."

Improved farms are set aside up to an area of 200 acres.

Under "The Land for Settlements Consolidation Act, 1900."

Church sites, not exceeding 1 acre; dairy factory and creameries, not exceeding 5 acres; ordinary dairy-farms, &c., 1,000 acres (sec. 64 and Regs. 49 and 3); small grazing-runs, 5,000 acres (Reg. 39); workmen's homes, 5 acres (Reg. 50); married women, 320 acres of first-class and 1,000 acres of second-class land, irrespective of any land her husband may hold or be entitled to acquire or hold (Reg. 9 as amended on 18th November, 1903).

PUBLIC AUCTION.

Under "The Land Act, 1892."

Crown lands on the following systems may be offered for sale by public auction, and if not sold may be leased for not exceeding fourteen years: Town lands, village lands, and suburban lands, for cash (sec. 111). Rural and pastoral lands not sold shall remain open for application (sec. 62 (4)). Rural land for cash in special cases (sec. 67). Pastoral runs for lease (Part VI., sec. 187). Lands of special value for sale or lease (sec. 118). Flax lands for lease (sec. 228). Renewal of leases of small grazing-runs (Part V., sec. 183). (Auction not compulsory.) Unoccupied lands for lease (sec. 116).

BALLOT.

Under "The Land Act, 1892."

Crown lands on the following systems must be opened for application to public competition, and are subject to ballot if more than one person applies for the same land on the same day (sec. 62). Cash,

occupation with right of purchase, lease in perpetuity (Part III., sec. 136). Village-homestead (lease in perpetuity), (Part IV., sec. 169). Small grazing-runs (Part V., sec. 173). Lands supposed to contain minerals, lease in perpetuity only (secs. 119 and 121).

Under "The Land for Settlements Act, 1901."

Land for Settlements: Lease in perpetuity and small grazing-runs (sec. 8); workmen's homes (Regs. 10 and 60). Improved-farm lots are allotted by ballot or arrangement (Reg. 4). Farm-homestead special settlements, lease in perpetuity (Part IV., "Land Act, 1892"), are allotted by ballot, as association and Commissioner agree or arrange (Reg. 3).

WITHOUT COMPETITION.

Crown lands may be allotted on application without competition under the following sections of "The Land Act, 1892":—

To adjoining owners (secs. 114 and 117); to applicant for unsurveyed land (sec. 115); pastoral land, temporary lease (sec. 219); year-to-year leases, unoccupied land (sec. 116).

Under "The Land Act Amendment Act, 1895."

Industrial homes, &c. (sec. 14); to adjoining village lessees (sec. 13).

Under "The Land for Settlements Act, 1900,"

Church-sites, creameries, &c. (sec. 64).

Miscellaneous.

For miscellaneous purposes, under secs. 222, 223, 226, 227, and 242 of Land Act.

"THE BUSH AND SWAMP CROWN LANDS SETTLEMENT ACT, 1903."

Crown lands under the following systems may be proclaimed as open for sale or selection under the provisions of "The Bush and Swamp Crown Lands Settlement Act, 1903," and classified as "heavy bush," "light bush and swamp," or "scrub" land: with exemption from rent and taxes for four years in case of "heavy bush," three years in case of "light bush and swamp," and two years in case of "scrub land":—

Occupation with right of purchase and lease in perpetuity (Part III., Land Act).

Farm-homestead lease in perpetuity, and village-homestead lease in perpetuity (Part IV., Land Act).

Small grazing-runs (Part V., Land Act).

TOWN, SUBURBAN, VILLAGE, AND RURAL LAND OFFERED BY PUBLIC AUCTION FOR CASH.

These lands must be surveyed prior to offering, and no lot of rural land can exceed 640 acres of first-, or 2,000 acres of second-class land ("Land Act, 1892," secs. 67 and 68).

The highest bidder, on the land being knocked down, must sign the sale-sheet, and pay to the Receiver of Land Revenue one-fifth of the purchase money that he has bid. The remaining four-fifths must be paid within thirty days from date of sale, together with the Crown-grant fee and value of improvements if the section is weighted (sec. 67). Crown-grant fee, £1 per 100 acres, and $\frac{1}{4}$ d. for every acre exceeding that area ("Crown Grant Act, 1883," sec. 46).

In the event of the payment not being completed within thirty days, the deposit is forfeited, and contract for the sale of the land null and void ("Crown Grant Act, 1883," secs. 66 and 67).

There are no residence or improvement conditions, and title may issue on completion of final payment for lands sold by auction for cash.

In the event of town, suburban, or village lands being unsold at auction they may be withdrawn from sale till further notice, but may be leased for fourteen years. Rural lands offered by auction remain open for sale at upset price. ("Land Act, 1892," secs. 111 and 62.)

LANDS OPENED ON OPTIONAL SYSTEMS UNDER PART III. OF "THE LAND ACT, 1892."

These may be surveyed or unsurveyed, and lots must not exceed 640 acres of first-class or 2,000 acres of second-class land (secs. 62, 96, and 136).

All formal applications for surveyed or unsurveyed lands are deemed to be simultaneous if made on the same day, and if there be more than one applicant for the same land, the right of selection is determined by ballot (sec. 62).

CASH.

The applicant must lodge his application on the proper form at the Land Office within the district in which the land applied for is situated. He must sign the declaration (Schedule A, Land Act) in the presence of a Justice of the Peace or other person authorised to witness declarations. ("Land Act, 1892," secs. 58 and 62.) No age limit for applicants (Schedule A). Applicant must declare land is for his own use and benefit, and not directly or indirectly for the use or benefit of any other person whatsoever, and that including the land applied for, he is not the holder directly or indirectly of any other land in the colony exceeding 2,000 acres, inclusive of not more than 640 acres of first-class land (sec. 62). He must either remit one-fifth of the price with his application, or sign the agreement on back thereof, undertaking to pay deposit when asked to do so, and if a ballot is required, he must have an authorised agent to represent him, and pay required deposit if he has not already remitted it, or if he is not present himself to pay it when declared successful (sec. 63). An applicant for lands for cash cannot apply on the same day for more than the maximum areas stated above (sec. 62). If the applicant is successful in obtaining a surveyed section, he must pay the balance of four-fifths of the purchase-money within thirty days from date of sale, together with certificate of occupation fee £1 ls. (secs. 66 and 81 (2)).

Crown grant fee (£1 per 100 acres, and $\frac{1}{4}$ d. for every acre exceeding that area), and value of improvements if any ("Crown Grants Act, 1883," sec. 46). If the payment is not completed within thirty days, the deposit is forfeited, and the contract for the sale of the land null and void ("Land Act, 1892," secs. 66 and 67).

The deposit with a cash application for "unsurveyed" land is the survey fee, which varies from £6 for 30 acres, to £100 for 2,000 acres: the balance of the purchase-money is payable within thirty days after the Commissioner notifies applicant that survey is completed ("Land Act, 1892," sec. 63 (1); Survey Reg. 40; "Land Act, 1892," sec. 66). No residence conditions. A certificate of occupation (in Schedule F, Land Act) issues to applicant in due course after his final payment ("Land Act, 1892," sec. 149). His Crown grant may issue at any time within seven years from the date of his purchase, provided Board is satisfied that he has expended in substantial improvements of a permanent character on the land a sum equivalent to £1 per acre on first-class land, and 10s. per acre on second-class lands (secs. 148 and 149).

An applicant for cash land does not secure the benefit of "The Bush and Swamp Crown Lands Settlement Act, 1903," except perhaps exemption from local rates if land has been proclaimed open under this Act. "Thirds" are not levied from proceeds of land disposed of under "cash" system (sec. 126). No greater area than 250,000 acres of rural land can be disposed of for cash in any one financial year (sec. 139).

OCCUPATION WITH RIGHT OF PURCHASE

The applicant must lodge an application on proper form, with declaration (Schedule B of Land Act) signed in the presence of a Justice of the Peace or person authorised to witness it ("Land Act, 1892," sec. 62).

The total area applied for on one day cannot exceed 2,000 acres, inclusive of not more than 640 acres of first-class land. Lands selected must be contiguous (sec. 62)—Contiguous for selection (secs. 44, 155, 158). Contiguous for residence (sec. 142).

Applicant must declare that he is not less than seventeen years; that the land is solely for his own use and benefit, &c., and that including the area applied for, he is not the owner, tenant, or occupier of any land in the colony exceeding the maximum areas stated in the last paragraph (sec. 62 and Schedule B).

A married woman who has not obtained a decree of separation or protection order, must restrict the area applied for to 320 acres of first-class, or 1,000 acres of second-class land (sec. 93).

Each application for surveyed land should either be accompanied by one-half year's rent and £1 1s. lease and registration fee, or have the agreement on the back signed, undertaking that the deposit will be remitted immediately on demand (secs. 63 and 81 (2)). In the event of a ballot being required, the applicant must be present to pay required deposit, or have an authorised agent present to pay it for him if the deposit has not been previously lodged; otherwise, even if drawn first, he loses his right of selecting the land ("Land Act, 1895," sec. 3 (2)).

In the case of applications for unsurveyed land, the deposit consists of the survey fees, which varies from £6 for 30 acres to £100 for 2,000 acres, together with £1 1s. lease and registration fee (Survey Regs., 40). The successful applicant must pay the amount with which the section is weighted for improvements (if any) before he can be admitted into possession ("Land Act, 1892," sec. 72). Immediately after approval of his application by the Land Board and completion of the required payments, the selector is notified that he may enter into possession (sec. 72). Term of license: twenty-five years, at a rental of 5 per cent. on capital value. After the tenth year, at any time during the residue of the term, the selector may purchase the freehold at the original capital value, provided he has fulfilled conditions, or he may exchange his license for a lease in perpetuity at 4 per cent. rental. If the selector has not exercised his right of purchase at expiration of term, he has a prior right to a lease in perpetuity of same land at rent of 4 per cent. per annum. (Secs. 152 and 156.)

A selector under occupation with right of purchase is barred from selecting non-contiguous land on same system or on lease in perpetuity for a period of three years from date of his license. At the end of this period he may select non-contiguous land under either system, provided he does not hold more than one license, and has duly fulfilled its conditions, and residence on either allotment is regarded as a sufficient compliance (sec. 153).

Two or more selectors may make a joint application for an occupation-with-right-of-purchase license, and each is subject to the same conditions, limitations, restrictions, &c., as in the case of one licensee, but only one is required to live on the land (sec. 161).

LEASE IN PERPETUITY.

Under "The Land Act, 1892."

Term of lease, 999 years from the 1st January or July following date of selection. Rent, 4 per cent. per annum on capital value. (Sec. 157.)

Mode of application, qualifications, restrictions, &c., same as in the case of occupation-with-right-of-purchase selections (sec. 62).

Declaration accompanying application must be on form. Schedule C of Land Act (sec. 93, &c., Schedule C).

SPECIAL SETTLEMENT ASSOCIATIONS.

Under Part IV. of "The Land Act, 1892."

The Governor may set apart for special settlements blocks of rural land not exceeding 250,000 acres in one year. Areas not less than 1,000 acres nor more than 11,000 acres may be allotted to associations containing after ballot not less than twelve persons. (Secs. 162 and 163.)

Maximum area of holdings, 320 acres, except in case of swamp lands, where it may be increased to 500 acres (Reg. 164). Tenure, lease in perpetuity only, at a rental not less than 4 per cent. on capital value. Minimum price, 10s. per acre. Governor may alter regulations. (Sec. 163.)

MODE OF APPLICATION.

All applications must be made to the Minister of Lands by the secretary or chairman of the association, and should contain a list of the names, addresses, and occupations of the applicants, and the area which each wishes to acquire. The association must deposit cost of survey up to 2s. 6d. per acre with Receiver before survey is undertaken. (Regs.)

In the event of the Minister approving the association's application, each individual member must lodge a statutory declaration in the form set forth in Appendix to Regulations for Special-settlement Associations (*New Zealand Gazette*, 2nd February, 1893), to the same effect as in declarations for lease in perpetuity under optional system, excepting that 320 (or 500 acres as the case may be) is the maximum area that can be applied for, including what applicant may already hold.

The rent for the first two years may be added to the capital value of the land, or may be paid off at any time at the option of the selector (Reg. 11).

Residence, improvements, &c., conditions same as for lease in perpetuity under Part III. of "The Land Act, 1892" (sec. 163).

Lands disposed of to special settlements may be exempted from rents and taxes under "The Bush and Swamp Crown Lands Settlement Act, 1903," if proclaimed by the Governor, before disposal, as coming under the operation of this Act.

A block of 5,000 acres may be disposed of in suitable-sized lots, under any of the following systems, to persons who may be desirous of working the same under regulations to be approved by the Governor in Council, who may fix terms and conditions ("Land Act, 1892," sec. 165) :—

Cash occupation with right of purchase and lease in perpetuity : Part III., "The Land Act, 1892."

Lease in perpetuity, farm homestead : Part IV., "The Land Act, 1892."

Cash, village : Part IV., "The Land Act, 1892."

Lease in perpetuity, village homestead : Part IV., "The Land Act, 1892."

VILLAGE SETTLEMENTS.

The Governor may set apart for village settlement such blocks as he thinks fit ("Land Act, 1892," sec. 168).

Every village settlement must be surveyed, and may be divided into village lots not exceeding 1 acre each, and village homesteads not exceeding 100 acres each. (Sec. 169.)

Village allotments may be disposed of as follows :—

(a.) For cash by public auction at upset price not less than £3 for each allotment. The method of purchase is the same as previously set forth in the case of town, suburban lands, &c. (Sec. 169.)

(b.) May be opened for application under Part III. of Land Act. Method of application, &c., same as given in the case of cash, occupation with right of purchase, and lease in perpetuity applications under Part III. (Sec. 169.)

Village-homestead allotments can be offered only on lease in perpetuity, at a rent of 4 per cent. on capital value. Minimum price, 10s. per acre (sec. 169, (4)). Mode of application, qualifications, restrictions, &c., same as for lease in perpetuity under Part III. (Sec. 169.)

Married women not separated by judicial order are not eligible to apply for village homesteads (Regs.).

No such lease shall be liable to be seized or sold by legal process for debt or in bankruptcy. (Sec. 169 (4).)

Village lands may be brought under the operation of "The Bush and Swamp Crown Lands Settlement Act, 1903," before disposal, with consequent exemption from rent and taxes for various periods.

Money may be advanced by Parliament for advances to village lessees for the profitable occupation of their holdings ("Land Act, 1892," sec. 170).

SMALL GRAZING-RUNS.

Under Part V. of "The Land Act, 1892."

Any pastoral lands may be classified into first-class small grazing-runs not exceeding 5,000 acres, and second-class grazing-runs not exceeding 20,000 acres, and open for application to public competition (sec. 172). Term twenty-one years, with right of renewal, or valuation of all substantial improvements of a permanent character in existence on land at end of term (sec. 179). Rent cannot be less than 2½ per cent. on capital value, which cannot be less than 5s. per acre (sec. 173.)

The applicant must lodge an application on the proper form with declaration (Form D in Schedule to Land Act), signed in the presence of a Justice of the Peace or other person authorised to witness it. The applicant must declare that he is not less than seventeen years of age, that he is purchasing the lease solely for his own use and benefit, &c., that he does not hold and has no interest in any other small grazing-run or pastoral license, and that he does not own any other land, which, with the area applied for, exceeds 1,000 acres.

A married woman not judicially separated or protected is barred from selecting small grazing-runs exceeding 320 acres of first-class land or 1,000 acres of second-class land (sec. 93).

Each application should be accompanied by one half-year's rent and £1 1s. lease fee, or have the agreement on back signed undertaking that the deposit will be remitted immediately on demand (sec. 63 (2)). In the event of a ballot being required, the applicant must be present to pay required deposit or have an authorised agent present to pay it for him (if the deposit has not been previously lodged.)

otherwise, even if drawn first, he loses his right of selecting the land ("Land Act, 1895," sec. 3 (2)).

The successful applicant must pay the amount with which the run is weighted for improvements, if any, before he can be admitted into possession ("Land Act, 1892," sec. 72).

The lease entitles the lessee to the exclusive right of pasturage, and to all crops which he may take off the land. No right of purchase is conferred, but the lessee may, with the Board's approval, select an area of 150 acres adjoining and including his homestead, through which no road can be taken without his consent (secs. 176 and 177). Roads may be taken through any other portions of the run, and holders of miners' rights and business licenses may exercise them over small grazing-runs (sec. 181).

The lessee of a small grazing-run, after compliance with the conditions for a period of three years, may, with the Board's approval, subdivide his run amongst other members of his family over the age of seventeen (secs. 177 and 181).

Residence continues for whole term after one or three years (sec. 178).

A renewed lease for a further term of twenty-one years is to be offered to the existing lessee at least twelve months before the expiry or other determination of his lease at a rent calculated at not less than 2½ per cent. on the value of the fee-simple, less value of improvements, and he shall then elect whether he accepts the new lease, which is to be subject to similar conditions as the original lease excepting as to rental that may be payable (sec. 182 (b)).

On the day of expiry of existing lease, or thereafter, the improvement-money is paid over to the outgoing tenant if he has not elected to accept a fresh lease, and if he has let the new tenant into quiet possession (sec. 183 (d)).

If the original lessee does not accept new lease, and if the Board fails to find a purchaser at auction, he may again elect within thirty days whether he accepts the renewed lease, and, if not, he shall continue as year-to-year tenant and pay the rent reserved by the original lease until a new tenant under the new lease is found, failing this it may be sold by auction (secs. 185 and 67).

Small grazing-runs may be proclaimed before disposal as coming under the operation of "The Bush and Swamp Crown Lands Settlement Act, 1903," with consequent exemption from rent and taxes for various periods.

The Governor on Board's recommendation may accept the surrender of a small grazing-run (Part VI., sec. 218).

Small grazing-runs may be converted to lease in perpetuity ("Land Act, 1892," sec. 160, "Land Act, 1895," sec. 15).

"The Crown Tenants Rent Rebate Act, 1900," does not apply.

LEASES OF PASTORAL RUNS.

Under Part VI. of "The Land Act, 1892."

All rural lands wholly or partly suited for pastoral purposes (sec. 187) may be classified into—

(1.) Pastoral lands suitable exclusively for pasturage and not capable of being used with profit in areas of a carrying-capability of less than 5,000 sheep. Unless in extraordinary circumstances, no run is to be of a larger area than will carry all the year round 20,000 sheep or 4,000 head of cattle. Each run must have sufficient low contiguous, or non-contiguous country included in it to insure its proper working. (Sec. 190.) These runs are offered by public auction for any term not exceeding twenty-one years, at upset rentals determined by the Land Board (secs. 187 and 194).

(2.) Pastoral agricultural lands, partly adapted for pasturage and partly for agriculture, suitable for subdivision into areas not exceeding 5,000 acres (sec. 189 (2)). These lands may be disposed of by way of lease or license under any part of the Land Act in such manner as the Governor may notify in *Gazette* (sec. 191). The Governor may resume at any time the whole or any portion of pastoral agricultural land held under lease or license, on giving tenant twelve months' notice in writing, but without compensation in holdings granted after the 15th September, 1882 (sec. 192).

The bidder of the highest rent at public auction becomes the lessee or licensee, and deposits on the fall of the hammer one half-year's rent and £1 ls. lease and registration fee, together with the value of the improvements, if any (secs. 195 and 81 (2)). He is also required to sign a statutory declaration to the effect that he is purchasing the lease for his own use and benefit, &c., and that he is not the holder of any pastoral lease or license or small grazing-run in any part of the colony, and that he has no interest therein (Schedule (e)).

There is no age limit; one man, one run (except under section 219), but the holder of any pastoral run may become the lessee of an aggregate area sufficient to carry not less than 10,000 sheep or 2,000 head of cattle (sec. 193).

There is no restriction on the area a married woman may select under pastoral lease or license.

A pastoral lease or license entitles the holder thereof to the exclusive right of pasturage over the lands specified therein, and gives no right to soil, timber, or minerals, and determines immediately over any portion that may be leased, licensed, or purchased, granted, or reserved (sec. 198). It contains conditions that the lessee or licensee shall prevent the destruction or burning of timber and bush, and also the growth or spread of gorse, broom, and sweetbriar, or the spread or increase of rabbits. Roads and rights of way may be taken at any time without compensation. (Secs. 198 and 199.)

The lessee or licensee may at any time on the recommendation of the Board, and the approval of the Governor, and on payment of fees, divide his run, and thereupon the Board may issue new leases or licenses for the balance of the term (sec. 209).

The lessee or licensee of any pastoral run exceeding 5,000 acres in area who has erected a homestead on the land has the right, with the consent of the Board, to select and occupy during the currency of the lease or license an area not exceeding 150 acres adjacent to the homestead, which is exempt from right of determination under section 192 (sec. 211). [There seems to be a contradiction here in the Act (section 211), as the right of determination here referred to was made by section 192 to apply only

to runs less than 5,000 acres in area—viz., pastoral agricultural lands which are by section 189 (2) limited to 5,000 acres. There appears to be no power of resumption on runs over 5,000 acres.]

The Governor may, on Board's recommendation, accept the surrender of any pastoral lease or license (sec. 218).

There are no improvements or residence conditions on pastoral leases or licenses.

If the Governor determines to relet pastoral lands for depasturing purposes, the Board reoffers the run by auction, at least twelve months before the expiration of existing lease or license, and, in the event of the then lessee or licensee not purchasing the new lease, the Board not later than one month before expiration or original term obtains a revaluation of all improvements, and their value is paid over to the outgoing tenant, the amount thus paid not to exceed three times the average annual rent paid under expiring lease, or five times where such rent has not exceeded £50. In addition to the amount specified, the incoming tenant must pay the value of every rabbit-proof fence erected on the run. (Sec. 207 (1).)

In the event of the run not being relet for depasturing purposes, the Crown pays the value of the rabbit-proof fences as appraised at end of term. The Commissioner or Board is not liable for any other kind of fence or improvement. (Sec. 207 (3).)

Pastoral leases or licenses do not come under the operation of "The Bush and Swamp Crown Lands Settlement Act, 1903."

Pastoral run leases may be converted to lease in perpetuity within statutory limits as to class and area ("Land Act, 1892," sec. 160; "Land Act, 1895," sec. 15).

Surrenders may be accepted ("Land Act, 1892," sec. 218).

"The Crown Tenants' Rent Rebate Act, 1900," does not apply.

ADVERTISING, ETC.

All Crown lands offered to public competition for sale or lease are advertised in the *New Zealand Gazette* and in local newspapers as available for disposal for not less than one month prior to the date fixed for sale ("Land Act, 1892," sec. 67).

Sale posters are posted on notice-boards at the principal post-offices and railway-stations, and are forwarded to Postmaster for distribution. Crown Land Guides and sale posters are also forwarded to all inquirers from the local office. These publications give full particulars as to date of offering, tenure, price, description of land, access, &c.

IMPROVEMENTS.

Lease in Perpetuity and Occupation with Right of Purchase.

Ten per cent. first year, 10 per cent. second year, and 10 per cent. within six years, and, in addition, £1 per acre first-class, and not exceeding 10s. per acre on second-class lands within the sixth year ("Land Act, 1892," sec. 144).

Cash Lands.

Within the first seven years £1 per acre first-class, and 10s. per acre on second-class lands (sec. 148).

Small Grazing-run.

First year, equal half-year's rental; second year, another year's rental; and thereafter, but within six years, another two years' rental, and if in bush 10s. per acre on first-class and 5s. per acre on second-class lands (sec. 179).

These improvements may be modified to not less than half ("Land Act, 1895," sec. 8).

RESIDENCE.

Lease in Perpetuity and Occupation with Right of Purchase.

On bush and swamp lands within four years, and on open or partly open lands within one year. On lease in perpetuity to continue for ten years, and on occupation with right of purchase for six years, or seven years on open lands ("Land Act, 1892," sec. 141).

Small Grazing-run.

Residence after one or three years to be continuous to the end of term (sec. 178).

TRANSFERS.

After a selector has held for twelve months, he may apply to transfer. If the conditions as to residence and improvements have been fulfilled, and on payment of any rent due, and a transfer fee of £1 1s. the Land Board consents, and the District Land Registrar is notified he may accept a transfer when lodged ("Land Act, 1892," sec. 83).

Subdivision of the Land comprised in a Lease or License and Transfer of a Part.

If the conditions have been fulfilled and the proposed transferee is eligible, the Land Board approves. The application is then scheduled and sent on to the Head Office for the consideration of the Minister. When he approves the application, the parties are notified that a plan of a survey executed by a duly licensed surveyor must be supplied. Payment of any rent due is then required, together with £2 2s., fees for two new leases and £1 1s. transfer fee. The District Land Registrar is authorised to accept the transfer when lodged for registration. ("Land Act, 1895," sec. 12.)

When registered, the District Land Registrar forwards to this office the lease with the transfers indorsed. Two new leases, one in the name of the original lessee and the other in the transferee's name, for the respective parts are then prepared, sent for signature, signed, and registered in the District Land Registrar's office, and delivered by him to the parties.

Subdivisions and transfer of both parts are dealt with in a similar manner (sec. 12).

Subdivision of Land comprised in a Lease and surrender of a Part in order that it may be offered for Sale to enable a Dairy Company to secure a Site.

A form of surrender of the piece of land is necessary, together with sketch. The Crown Lands Ranger is then instructed to report, and if the application is in order and the reports favourable the Land Board will approve. Full particulars are then sent to the Head Office for the Minister's consideration, and on his approval the parties are notified and requested to supply a plan of a survey executed by a duly licensed surveyor. When such has been received, approved, and recorded, the parties are requested to send in the lease, together with any rent due and 5s. surrendered fee. ("Land Act, 1895," sec. 12; "Land Act, 1892," sec. 159.)

The lease and form of surrender or part are with the 5s. sent to the District Land Registrar, who amends the lease and returns it. It is then sent to the lessee, or whoever may be authorised to receive it.

Steps are then taken to offer for sale the piece of land surrendered, weighted with the improvements the dairy company may have effected on the land, and put up for public auction.

SUBLEASES.

Subleases are effected by an application, stating terms of proposed sublease. A declaration of eligibility is required from the sublessee ("Land Act, 1892," sec. 83).

FREEHOLD TITLE.

Application for the freehold title to a section held under occupation-with-right-of-purchase system may be made on the expiration of ten years of the term of the license (Land Act, 1895," sections 152, 156).

If the conditions as to residence and improvements have been fulfilled, the Land Board will approve the issue of the title.

MORTGAGES.

There are mortgages to private persons and mortgages to the Superintendent, Government Advances to Settlers Office. If the conditions of the lease have been fulfilled, and the mortgage is made subject to section 83, subsection 3, of "The Land Act, 1892," the Board's consent is indorsed on the mortgage docket. ("Land Act, 1892," sec. 83.)

SURRENDERS.

Surrenders are effected under sections 159 and 218 of "The Land Act, 1892."

FORFEITURES.

Forfeitures take place in terms of sections 32, 67, 72, 82, 83 (8), 96, 100, and 102 of "The Land Act, 1892," and section 7 of "The Land Act Amendment Act, 1895."

CONVERSIONS.

When a selector applies to convert from one system to another, and all conditions of the Act have been complied with, the conversion is then computed, and, with the exception of conversions from small grazing-run to lease in perpetuity, the rental paid on the old tenure is credited, until the amount is exhausted, to the new tenure. The leases are antedated to the date of the original lease. In the case of small grazing-runs, the rental paid is not credited to the new lease. The new lease is dated from the date of the acceptance of surrender of the old lease. The following tenures can be converted: Perpetual lease, to lease in perpetuity; deferred payment, to lease in perpetuity; village-homestead special settlement, to lease in perpetuity; small grazing-run, to lease in perpetuity. The benefit derived by the selector under the conversion, except small grazing-runs, is that the rent is calculated at a reduced rate—4 per cent. Exemption from residence after ten years. "Thirds" become available, and "fourths" become "thirds" on small grazing-runs, &c. ("Land Act, 1892," secs. 150 and 160; "Land Act, 1895," sec. 15.)

CAPITALISATIONS.

All deferred-payment sections can be capitalised and can also be extended from ten years to fourteen years ("Land Act, 1885," sec. 126 (1-4)).

If a Land for Settlements lease-in-perpetuity selector has buildings on his section which are the property of the Government, or has received an advance on his buildings, the balance outstanding can be capitalised at any time during the currency of the term of the repayment. The terms for these repayments range from five years to twenty-one. (Land for Settlements Regulations.)

REBATE.

The granting of not more than 10 per cent. rebate of rental to tenants rests entirely with the Commissioner of Crown Lands and the Receiver of Land Revenue, who may in their discretion carry out the provisions of the Act ("Crown Tenants' Rent Rebate Act, 1900").

Rebate of rent is allowed on all tenures except reserves, miscellaneous licenses, small grazing-runs, Native townships, and village-homestead special settlements ("Land for Settlements Consolidation Act, 1900," sec. 52).

The condition required to obtain rebate is that the rent must be in the hands of the Receiver of Land Revenue not later than one month after the rent becomes due.

The rebate allowed in the Wellington District is as follows: Occupation with right of purchase, lease in perpetuity, farm homestead, improved farm, village-homestead lease in perpetuity, 10 per cent.; perpetual lease, deferred payment, land for settlements, lease in perpetuity, 5 per cent.

In the event of any Crown tenant being unable at any time through any natural disaster or other sufficient cause to pay his rent, upon the recommendation of the Land Board the Minister may remit a year's rent, or such portion of a year's rent as he deems advisable ("Land for Settlements Act, 1900," sec. 53, and "Crown Tenants' Rent Rebate Act, 1900," sec. 4).

TITLES.

The freehold title of perpetual leases can be acquired at any time after the improvement and residential conditions of the lease have been complied with, and under the occupation-with-right-of-purchase system the freehold title can be acquired after the lapse of ten years from the beginning of the term, provided all the conditions have been complied with. The payment of capital value, Crown grant, and any rent due to date is required in each case. ("Land Act, 1885," sec. 160, and "Land Act, 1892," secs. 152 and 156.)

IMPROVED FARM.

Under "The Lands Improvement and Native Lands Acquisition Act, 1894."

Lessees holding land under this system are entitled to monetary assistance from the Government for bushfelling and grassing.

All amounts advanced for bushfelling and grassing are added to the capital value of the land, and the rental is payable on the 1st January or the 1st July ensuing twelve months after any area has become ready for stock, and the rent is increased as fresh areas become ready.

Advances up to £30 can be made to tenants for house or garden. This may be repaid before the lease issues, or may be added to the capital value. Tenants have the option of holding the land under occupation-with-right-of-purchase or lease-in-perpetuity systems. (Regulations.)

RENTAL.

Under "The Land Act, 1892."

Rents are payable half-yearly in advance on the 1st January and 1st July in each year on all systems except small grazing-run and pastoral license. The rent on these two systems is payable on the 1st March and 1st September in each year. Should any selector find that he is temporarily unable to pay the rent due, and applies for reasonable time, the Land Board invariably grants his request. Selectors who are in poor circumstances or who have met with misfortune are treated leniently, and are given extension of time in which to pay. (Secs. 152-157, 180, 213, &c.)

"THE BUSH AND SWAMP CROWN LANDS SETTLEMENT ACT, 1903.

This Act is to provide for the encouragement of settlement on bush and swamp lands.

Any selector taking up land under this Act will have his land designated "heavy bush," "light bush," "scrub," or "swamp land" respectively, and he will receive the following concessions regarding the payment of rent. In the case of "heavy-bush land" he will be relieved of any payment (except his first deposit) for four years; three years in the case of "light bush" or "swamp lands," and two years in the case of "scrub" land.

If, however, he should dispose of his interest in the land during the first five years of his occupancy, the rent conceded under this Act will have to be paid by him in full.

The Land Board may exempt any tenant of "swamp" land from residence for five years if he puts on the land twice the amount of substantial improvements.

ADVANCES TO SETTLERS.

Under "The Government Advances to Settlers Act, 1899."

Settlers can obtain an advance on their improvements from the Superintendent, Advances to Settlers Office. When an advance is applied for, this office furnishes a report on the state of the rent and improvements, and if the advance is made by the Superintendent, this office is advised of the fact and the information noted in the books here. Twice a year the Superintendent is advised of the state of the rental of those selectors who have received an advance from him. (Sec. 15.)

The Superintendent has power as mortgagee to sell the interest of any selector who makes any default in the conditions of the mortgage, and if the selector is in arrear with his rent, the Land Board can only claim three half-yearly instalments of rent.

The Land Board must give three months' notice to the Superintendent of its intention to forfeit the interest of any selector.

The Superintendent can sell without the consent of the Land Board.

"Thirds" and "fourths" derived from Crown rents.

"Thirds" and "fourths" derived from rents payable on land held under various tenures from the Crown.

"Thirds" payable under "Land Act, 1892," and amendments.

These moneys are set apart and dealt with under "The Land Act, 1892," sections 126-135, and Amendment Act, 1895, section 10, subsection (2).

"Thirds" and "fourths" payable to local bodies.

The "thirds" and "fourths" are payable to the local body in whose district the land lies from which these moneys are derived when proposals for expenditure on roadwork made by the local body have been approved by the Land Board as being for the benefit of the selectors whose sections provide them.

On what tenures "thirds" and "fourths" are payable.

"Thirds" are payable on all tenures (including deferred payment) except village-homestead special settlement, land acquired under "The Land for Settlements Act, 1890," and small grazing-runs. On the last-named tenure "fourths" are payable.

METHODS OF CALCULATING "THIRDS."

No survey fee and no loan.

A section on which no survey fee has been paid and no loan raised from the Treasury for opening up the block in which it is situated.

One-third of actual rent. Survey fee paid, but no loan.

The "thirds" are one-third of the actual payments of rent. A section on which a survey fee has been paid, but no loan as above raised.

One-third of actual rent after survey fee has been repaid.

The "thirds" are one-third of the actual payments of rent, but are not payable until the amount of the survey fee has been exhausted—*i.e.*, the survey fee paid relieves the selector of payment of rent until the instalments of rent, which would otherwise be payable, are equal to the amount of the survey fee. (Sec. 65, clause 2 of "The Land Act, 1892.")

No survey fee, but a loan raised.

A section on which no survey fee has been paid, but which is liable for a proportion of a loan from the Treasury raised to open up the block in which the section is situated.

One-third of the rent on the prairie value.

Before the section is loaded with its due proportion, according to area, of the above loan, a "prairie value" is fixed. This is the net price or value on which "thirds" are computed and paid by section 126, "The Land Act, 1892." A rent of 4 or 5 per cent., according to the tenure, is computed on the prairie value, and a third of this is the "thirds" due to the local body.

This applies to sections selected after 1st January, 1896.

This practice applies to all sections selected subsequently to the 1st January, 1896.

Practice for sections selected before 1st January, 1896.

The present practice for sections selected prior to the 1st January, 1896, is as follows: The selector pays rent on the total value of the section—*i.e.*, the prairie value and the loading or proportion of loan. He pays 4 or 5 per cent. interest on this total capital value, the payment being called rent.

Selector pays rent on prairie value plus loading. Department pays Treasury 7 per cent. on loading. One-third of the balance after deducting payment to Treasury is "thirds."

The Department pays the Treasury interest and sinking fund at the rate of 7 per cent. on the loading. The selectors pay interest at 4 or 5 per cent. only on this loading. The difference between 7 and 4 or 5 per cent., therefore, comes out of the interest or rent on the prairie value, and decreases the amount of net rent available for the payment of "thirds." The interest at 7 per cent. on the loading being deducted from the gross rent which the selector pays and the "thirds" being calculated as one-third of the rent remaining. (This practice is in accordance with a ruling of the Surveyor-General, S.G. 20592/26, dated 28th June, 1894; D.S.O. 11563/5. Circular letter from the Auditor of Land Revenue dated 22nd June, 1895, and explanation and note by him on the above letter, D.S.O. 11563/6 and 11563/10.)

Interest upon loan is first charge; therefore payment of "thirds" may be postponed.

It has been stated that where a survey fee has been paid no rent is payable for a certain period. During this time the interest due to the Treasury on the loading has fallen into arrears. Under section 4 of "The Government Loans to Local Bodies Act Amendment Act, 1891," the interest upon the loading is held to be the first charge on the proceeds of the land. Therefore, these arrears have to be paid from the first instalments of rent available, leaving no balance from which "thirds" can be paid. This postpones the time at which the payments of "thirds" commences, but does not shorten the period.

Period for which "thirds" and "fourths" are payable.

"Thirds" and "fourths" are payable for a period of fifteen years, except in respect of deferred-payment lands, when they are payable for ten or fourteen years as may be the time of the instalments, or if the balance of payments has been capitalised, for as long as interest is paid. One-third of the whole of the payments under a deferred payment, except the survey fee, are payable as "thirds."

Time does not count when there is no rent payable, and therefore no "thirds."

Where a section is held and "thirds" are payable, then it is surrendered and rent and "thirds" cease; and afterwards it is again held, and "thirds" again payable. It has been ruled by the Surveyor-General (D.S.O. 15582) that the "thirds" are payable for fifteen years, not counting the time during which no rent and therefore no "thirds" were available, but not making a fresh start from the commencement of the new payments.

ADMINISTRATION.

Schedule of accrued "thirds" sent to local body for every six months to 30th April and 31st October.

In the Wellington Land District, each local body is advised every six months of the amount of "thirds" accrued to the 30th April and the 31st October, and available for expenditure on road-work in its respective district.

Method of preparing schedules with details of each section with road frontage, &c. Press copies kept and duplicate sheets sent to local bodies with a letter of direction.

The "thirds" are entered upon schedules giving the amount against each section, specified by number, block, survey district, and system of tenure. The sections are grouped upon the road or roads on which they front, and on which the "thirds" should be spent, except in special cases. These roads are designated by numbers on the "thirds" maps, and the Receiver of Land Revenue is supplied

by the officer in charge of "thirds" with the numbers of the frontage roads for all sections, so that the accruing "thirds" for each section can be entered in the "thirds" ledgers under the respective road for the convenience of speedy reference. The schedules of "thirds" are printed and written in copying-ink. They are press-copied before being posted, and are accompanied by a printed circular letter giving a specimen of the manner in which the particulars of proposed works should be filled in. Blank duplicate sheets are also enclosed, so that the local authorities can keep copies of the amounts and proposals, if they see fit.

Examination of proposals.

When the schedules are returned by the local bodies, with their proposals for works, these are carefully examined by the officer in charge, and prepared for the consideration of the Land Board (sec. 126, "The Land Act, 1892") whose sanction is required thereunder.

Wishes of selectors consulted and recorded.

The wishes of the selectors, therefore, form an important consideration. Several of the local bodies forward with the proposals forms of consent signed by the settlers. Or, if the selector has written about the "thirds" from his section, the number of his file is entered on the section on the "thirds" maps, thus giving the reference to his wishes or needs.

Details required for location and returns.

Another consideration is that the proposals made can be located, and the necessary details given, so that, if deemed necessary, inspection can be made on the ground as to the carrying-out and completion of the works, and that the annual returns of work done with "thirds" and "fourths" can be correctly compiled.

Provision for inspection.

These details are chainage of formation, bushfelling, &c., width of road, and whether dray, bridle-track, &c. Specimens of particulars are given on the enclosed letter with the half-yearly schedules. (By Survey Regulations, folio 34, page 6, steps should be taken from time to time to test the expenditure by the local body.

HYPOTHECATION OF "THIRDS."

Hypothecation of "thirds" by "Land Act, 1892."

Section 131 of "The Land Act, 1892," provides that when the Land Board is satisfied that the roads of access are completed, or that the local authority proposes to complete them by means of a loan, the "thirds" may be hypothecated as ordinary revenue of the district in the first case, and in lieu of or in reduction of the special rate in the second case.

ORDINARY REVENUE CERTIFICATE.

Application for "thirds" as ordinary revenue.

The application is on a printed form, and includes certificate by the Chairman of the local body that the roads of access are complete. It is usual to ascertain if the holder of the section, to which access is complete, is willing that the "thirds" should be hypothecated, and that there is no special rate for roadwork to which he is liable.

HYPOTHECATION CERTIFICATE IN AID OF RATES.

Application for "thirds" in aid of rates for special loan.

The printed application form includes a certificate by the Chairman of the local body that the loan has been raised, and is accompanied by a copy of the advertisement relative thereto, showing that the requirements of the Local Bodies' Loans Act have been complied with, or other proof thereof, and by a tracing of the loan area showing all sections whose "thirds" it is proposed to hypothecate.

Details of comparison of amounts of rates and "thirds," and that the "thirds" from each section are kept for its sole benefit.

When examining an application, the amount of annual rate on each section is compared with its annual "thirds." If the "thirds" are larger, the excess can be used for ordinary roadwork on approved proposals, or paid to the local body to meet the rates in the future when the "thirds" are no longer accruing, but the special rate has still to be paid. The period of the loans being from twenty-six to forty-one years, while that of the "thirds" is fifteen years. A special clause is added to the hypothecation certificate that the "thirds" must be kept for the sole benefit of the section providing them.

DIVIDED SECTIONS AND TRANSFER OF "THIRDS."

Payment of "thirds" from sections in two local districts and procedure for transfer of sections from one local district to another.

Where a section is situated in two local districts, with the consent of the local bodies the "thirds" are paid to the one through whose district the access lies. Strictly, a part of the "thirds" in proportion to the area therein is due and may be claimed by each body, and can only be handed to another body under the authority of the Minister. (Section 128, clause 1, "Land Act, 1892.")

It also occurs that though a section is in one district, the access is through another. In such cases when the selector and local body agree, and the Land Board concurs, the consent of the Minister is applied for through the Surveyor-General to the transfer of the "thirds."

Division of "thirds" when a section fronts on more than one road.

Where a section fronts on more than one road, the Land Board has directed that the "thirds" should be expended on each road *pro rata* to the frontages, except in special cases submitted for its consideration.

Amount of "thirds" and "fourths" in hand at 31st March, 1905.

The sum of £13,996 3s. 11d. was lying to the credit of the local bodies in the Receiver of Land Revenue's Deposit Account on the 31st March, 1905, for which amount no proposals for expenditure had been received.

"Thirds" and "fourths" payable to eighteen counties, four Road Boards, one Borough Council, one Town Board.

In the Wellington Land District there are at present receiving "thirds" and "fourths" eighteen County Councils, four Road Boards, one Borough Council, and one Town Board. By clause 128, subsection (1), "Land Act, 1892," the "thirds" and "fourths" are payable to these respective bodies.

"Thirds" and "fourths" are not payable for same land to more than one body.

Generally, where "thirds" are payable to a county, the road districts therein do not receive any; but in a few cases the Road Boards still have separate administration for the "thirds" from sections in their districts. Boroughs and town districts which contain lands on which "thirds" are payable receive these by clause 128 of "The Land Act, 1892." The "thirds" and "fourths" from no lands are payable to more than one local body.

MEMO. RE ROAD BOARDS IN COUNTIES, ETC.

Waitotara County Council, Waitotara-Momohaki Road Board.

Wanganui County receives the "thirds" from Paratieke Block, which are hypothecated for a bridge, but the rest of the county is included in the Mangawhero and Upper Wangaehu Road Boards.

Te Horo Road District is in the Horowhenua County.

Petone Borough Council administers the Korokoro Village Settlement.

Huntermville Town District includes three village-homestead leases in perpetuity.

LAND FOR SETTLEMENTS ACTS.

Sections 1 to 46, inclusive, are administered by the Land Purchase Department.

Lands acquired are deemed to be Crown lands, and may be disposed of under the lease-in-perpetuity system, except small grazing-runs, which will be disposed of under Part V. of the Land Act (secs. 47 and 48; see also Regulations 1 to 35 for lease in perpetuity, and 36 to 48 for small grazing-runs).

Unless in the case of lands required for homesteads (clauses 55 to 57), or of the mineral-lands (clause 66), the Minister determines the size of allotments into which the land is to be divided, and these may comprise less or more than one surveyed section, but shall not exceed the maximum area prescribed by the Land Act and Regulations (sec. 49, Reg. 3).

Classified and grouped as ordinary farms, dairy farms, or small grazing-runs, or partly as farms and partly small grazing-runs, and for purpose of ballot these groups may be further subdivided by Land Board (sec. 8, 1901).

Applicants must be twenty-one years of age, and can hold only one allotment—landless applicants having preference. All applicants are examined by Board in regard to this, and also as to their means and ability to work the land. Land Board may increase area of holding if satisfied it is too small to support the applicant and family. A half-year's rent and lease fee of £1 1s. to accompany all applications. (Sec. 49.)

Minister may set apart lands for workers' homes in areas not exceeding 5 acres each, and may make advances thereon for buildings, &c., equal to £1 for £1 up to £50, interest thereon to be 5 per cent. per annum, repayable within ten years (sec. 50; see also Regs. 49-60).

Minister to determine rentals, but these must be at a rate not less than 5 per cent. on capital value of the land. When rent is paid within one month of due date, and no arrears exist, a rebate not exceeding one-tenth of the half-yearly instalment is allowed. (Secs. 51 and 52.)

Remission of rent may be allowed in cases of natural disaster, not exceeding one year's rent as may be determined by the Minister, provided lessee is not over twelve months in arrear with his rent (sec. 53).

When buildings exist on the land, and are repayable by half-yearly instalments spread over a period of not less than seven nor more than twenty-one years, with interest at 5 per cent., in special cases these repayments may be suspended until the expiration of the second year; lessee meanwhile paying interest at 5 per cent. on value of buildings only (sec. 54 and sec. 2 of 1901).

Lands may be set apart as homestead-sites for neighbouring pastoral lands, lessee having right to valuation for improvements at end of term as provided by sections 72 to 77 of "The Land Act, 1892," &c. (sec. 55).

From lands acquired the owner of a homestead may obtain a lease in perpetuity of 640 acres of first-class land, or 1,000 acres of mixed classes of land as he may select, but subject to the approval of the Land Board (sec. 56; also 6 of 1901).

A tenant under the late owner in *bonâ fide* occupation of a homestead on the estate at time of purchase (but subject to prior rights of such owner) may also obtain on the same terms and conditions a lease in perpetuity up to 640 acres around same irrespective of class (sec. 57).

No "thirds" or "fourths" are payable on lands acquired under this Act, and no reserves along coast, around lakes, or along river-banks are made (secs. 58 and 62).

Lessees are liable to pay rates and taxes (sec. 59).

Unless under extraordinary circumstances, lessees are not allowed to transfer, sublet, part with, mortgage, or charge their leases or any part thereof, until expiration of the fifth year of term (sec. 60, sec. 10 of 1901; also Reg. 12).

Board may, with Minister's consent, after two years accept surrender of a lease on payment of all rent, &c. Valuation for improvements by lessee to be paid by incoming tenant. (Sec. 11 of 1901.)

Subject to this Act and Regulations, penalties, forfeitures, &c., are same as in Land Act (sec. 61).

Reserves may be set aside for State farms or other public purpose, but a sum equal to capital value thereof must be voted by Parliament for credit of Land for Settlements vote (secs. 62 and 63).

With consent of the Minister, lands acquired under this Act may be sold in fee-simple as sites for churches, dairy factories, or creameries. Church-sites not to exceed 1 acre, dairy-sites, 5 acres, at prices to be fixed by the Minister, but not less than the cost of the land with all expenses. Provisions of the Land Act relating to declarations, application, and auction, not to apply. Proceeds to be paid into Land for Settlements Account. (Sec. 64.)

Lands to be surveyed and classified as soon as practicable, and Minister may lease lands temporarily, or may construct and carry on works necessary for developing deposits of coal, lime, or stone, cost thereof to be paid out of Land for Settlements Account, and receipts paid into credit thereof. And Minister may lease any of these works, &c., for terms up to twenty-one years. (Secs. 65 and 66, and 3 of 1901).

Small areas of Crown land within or adjacent to these lands may, by proclamation in *Gazette*, be brought under this Act (sec. 68).

Unused and unneeded roads within the estate may be closed and disposed of under this Act (sec. 69).

The Governor may make all necessary regulations (secs. 72 of 1900 and 12 of 1901).

Residence to be continuous (sec. 9 of 1901; see also Reg. 11).

Persons who have drawn a section in any land ballot, and have afterwards disposed of same, are ineligible to again select for one year after such disposal, unless under special circumstances, and with consent of Land Board (sec. 5 of 1904).

Applicants may be examined in districts where they reside (sec. 6 of 1904).

Governor may lease sites for public halls or for recreation purposes (sec. 7 of 1904).

Regulations under Land for Settlements Acts.

Clauses 1 to 10 prescribe term and date of lease, area of allotments, grouping, rents, applications, choice of allotment, deposits, statutory declaration, questioning by Board, limitations and disabilities of applicants, and conditions of ballot.

Clause 11 prescribes continuous residence from date of lease.

Clause 12: No transfers for five years unless on death of lessee, or other extraordinary event

Clauses 13 to 17 set out improvements required within first six years. Mode of discriminating improvements existing at date of lease. Define substantial improvements. Ring-fence within two years. Trimming hedges, stubbing of gorse, broom, sweetbriar, and noxious weeds.

Clauses 18 to 22 deal with cropping, hay-cutting, cleaning watercourses, drains, and if tenant fails to do this, provides for such cleaning &c., being done by Commissioner, who can recover the cost thereof from lessee in same manner as rent.

Clause 23: Lessee shall pay all rates, taxes, and assessments during term of lease.

Clauses 24 and 25 deal with land having buildings thereon, and which have been valued separately, and also insurances thereon.

Clause 26 provides for forfeiture in case of failure to pay rent, interest, &c.

Clauses 27 to 29 deal with mining, quarrying stone, removing gravel, and cutting timber.

Clauses 30 and 31: Valuations of improvements; and distinguishes between those existing at date of lease and those made subsequent thereto.

Clauses 32 and 33 reserve right to Crown to take water-races and lay pipes over lands without compensation other than a proportionate reduction in rent. Also deal with lessee's rights to water in creeks running through his land, and bars diversion without consent of Commissioner.

Clause 34: Form of lease as provided in Third Schedule of Regulations.

Clause 35: Conditions of Land Act to apply.

As to Pastoral Lands.

Clause 36: All pastoral lands under the Act to be disposed of as small grazing-runs by Land Boards.

Clause 37: Term and date of small-grazing-run leases.

Clause 38: Option of renewal on a revaluation.

Clause 39 limits area of small-grazing-run allotments to 5,000 acres generally, but in no case to exceed limits fixed by Land Act—viz., 5,000 acres for first-class, 20,000 acres for second-class runs, and no lessee to hold more than one run.

Clause 40: Rent, 5 per cent. on capital value of land (exclusive of buildings), and fixes 1st days of March and September in each year as dates for payment. Date of lease to be date of Land Board's approval of application.

Clauses 41 and 42 deal with form of application, declaration, limitation of areas and values thereof that an applicant may hold at time of applying. Married woman may hold 320 acres of first- or 1,000 acres of second-class land, in addition to any land her husband may hold, &c.

Clauses 44 and 45: Residence, improvements, classification, and area to be kept in permanent pasture.

Clause 46: Lease to be in form of Fifth Schedule.

Clause 47 makes certain clauses of these regulations apply to small grazing-runs, and brings them under the Land Act, Land Board, and Commissioner, but clause 48 absolutely bars a selector from ever obtaining a lease-in-perpetuity title for a small grazing-run.

Clauses 49 to 60 deal with allotments for workmen's homes.

CLASSIFICATION OF LANDS.

By the late Commissioner of Crown Lands,* Mr. J. W. A. MARCHANT

Turning now to "The Land Act, 1892," in order to determine how the Land Board should proceed to deal with applications for classification of Maori lands under section 32 of "The Native Land Laws Amendment Act, 1896," the following sections appear to be those bearing on the matter:—

Section 68 limits allotments to be auctioned to 640 acres first-class or 2,000 acres of second-class land, excepting in the cases of leases of pastoral lands.

Section 96 prescribes that no person can be a selector who owns 2,000 acres or upwards of freehold land, inclusive of 640 acres of first-class land.

Apparently foreseeing the difficulty involved in the determination of first- and second-class lands, this same section 96 clearly defines that any land held by any person, if of an unimproved value of £1 per acre or more, shall be deemed first-class land, and, if of less unimproved value than £1 per acre, shall be deemed to be second-class land.

Sections 106 and 108 provide for the classification of Crown lands into town, suburban, and rural.

Section 112 empowers the Board to classify land and dispose of same—(1) first-class lands at a price not less than £1 per acre; and (2) second-class lands at a price not less than 5s. per acre.

Section 113 empowers the Government to classify and reclassify town, suburban, or rural lands.

Though there are throughout the Land Act other references to the question of class of land, I am not aware of any other important clauses of special provision specifying or distinctly defining how Crown lands are to be classified.

The Land Boards of the colony, assisted by the officers of the Lands and Survey Department, working under the directions and guidance of the Surveyor-General are believed to have dealt with this important question of classification of Crown lands in the following manner, and with regard to the following considerations:—

- (a.) The position and accessibility of the particular block of land in relation to centres of population and markets.
- (b.) The character of country and quality of soil.
- (c.) The capabilities and adaptability of the land for purposes of cultivation, and the production of various classes of farm and garden produce, and the grazing and rearing of stock.
- (d.) The nature and extent of the demand, and the class of persons likely or desirous of acquiring portions of the land.

These and like considerations have enabled the Land Board to approve of the capital value proposed in each instance, and to decide as to the areas into which the land should be subdivided, and the system, and also the class under which the land should be dealt with.

In this manner the Land Boards of the colony have had no difficulty in separating those portions of the Crown lands that could most advantageously be dealt with under Part V. (as small grazing-runs) and Part VI. (under pastoral licenses): the balance of the Crown lands generally coming under Part III., the optional system. Special portions of the latter, such as those in towns and suburbs, being disposed of at auction for cash under Part II. of the Act; other portions, again, being opened under Part IV. of the Act as special or village settlements.

Having determined the systems of the Act under which any particular block should be disposed of, and having decided whether the value should be greater or less than £1 per acre (*vide* section 112), and also the restriction as to limit of area which should be placed thereon, the Board determines whether the land shall be first or second class, or a combination of both.

In carrying out this duty the Boards have included under the designation of "first class," not only rich alluvial and other agricultural lands of high value, but also immense areas of hilly broken country, open or forest-clad, valued at £1 or more per acre, and suitable for occupation in holdings not exceeding 640 acres.

Under the designation of "second class," the Boards have generally placed light stony plains, high, cold, and scrubby and open hills, and a large proportion of the rugged, broken, forest-clad, and generally remote and not easily accessible portions of the colony, but which yet are superior to the class of land allotted in small grazing and pastoral runs.

It appears to have been generally understood and accepted by the Land Boards, that under the provisions of "The Land Act, 1892," it is required of them when classifying country—(1) that every care be taken that it be dealt with under the system of the Act, which, in pursuance of the foregoing considerations, would insure of its being selected and occupied to the best advantage; (2) that it be subdivided and offered in areas suitable to its capabilities and the requirements of the people, and so that its occupancy and utilisation be controlled by the special provisions of the Land Acts relating to the particular class and system under which the land was disposed of.

This method of classification of Crown lands in vogue under the Land Act, occasionally causes misconception in the minds of the farmers, expert land-valuers, and others, who apply the terms "first" and "second class" to agricultural and other lands in the ordinary acceptance of the words, and it is difficult to make plain to them that these terms are only used in the Land Act for the purpose of distinguishing Crown lands, which are rarely first class in the sense in which they understand and apply the term, but which are used throughout the Land Act for the purpose of deciding which lands are suitable for occupation in areas of 640 acres, and which in blocks of 2,000 acres, as the case may be, valued at £1 per acre or more in the one instance, and less than £1 as a rule in the other. These two classes carrying with them different obligations as regards improvements.

As an illustration of this question of classification, take, for example, a section of land near the Waikanae Railway-station, where it is undoubtedly first-class open flat land, but within practically a stone's throw of that station the hill rises abruptly and is covered with bush. The Board, when

dealing with it, classified this land as far as the top of the hill as first class, taking into consideration its proximity to a railway-station and township, accessibility by metal roads, and capability of being worked in with the low flat lands adjoining.

SUGGESTED AMENDMENTS TO THE LAND ACTS.

“*The Land Act, 1892.*”

Section 81, (2) : Insert after “license” in the first line, “certificate of occupation,” so as to apply the payment of the license fee to certificates of occupation, these being practically licenses.

Sections 83, (1), and 85 : Make provision to enable mortgages to be effected during the first twelve months after the date leases issued in lieu of leases surrendered for revaluations, subdivision, and transfer, and other similar causes. (See note at end.)

Section 83 : Insert provision to enable dealings on leases in the Land Transfer Office to be brought down on new leases issued in lieu of existing leases for any cause. The want of this provision has caused considerable expense in dealing with cases of surrender of leases for revaluations, subdivision, and transfer, &c., besides delaying the registration of the dealings for twelve months.

Section 83 : Insert provision to facilitate the transfer of sections to widows and children, without the present necessity of having to take out letters of administration, proving wills, &c. (This may necessitate an amendment of the Land Transfer Act.)

This is only intended to apply to cases where the estate is of small value, or where the family are in poor circumstances.

Section 96 : Delete “freehold.” See declaration (Schedules A to D). This will prevent a lessee of private property from acquiring Crown lands which, with what he already holds, will be over the area allowed by the Land Act.

Section 114 : Price, £1 an acre, is too high in some cases in this land district, and might be reduced to not less than 10s.

Section 147 : Amend to read “the improvements on the land required by the Act under which it is held.” This is to make the provision apply to “The Land Act, 1885,” and its amendments, the Land for Settlements Acts, “The Lands Improvement and Native Lands Acquisition Act, 1894,” &c.

Section 148 : Provision is required for a case where improvements are not completed within seven years from the date of purchase. At present if a purchaser of Crown lands does not effect the required improvements within the seven-years limit, there appears to be no provision to compel him to effect them or to issue the Crown grant should he do so afterwards.

Sections 152 and 156 : To be made to agree as to date of issue of title from commencement of term of license, 1st January or July following selection, or from date of license.

Section 154 : Apply the provisions of section 154 of 1892 as amended by section 9 of 1895, in case of death, to lease-in-perpetuity lands. At present there is no provision to compel a transfer of a deceased person’s interest in a lease in perpetuity to some eligible person, who would reside and comply with the conditions of the lease, and it is inadvisable to allow titles to remain in an indeterminate state.

Section 164 : Remove the 320-acre limitation, and insert in lieu 2,000 acres, inclusive of not more than 640 acres first-class land as maintained in Part III., so as to enable farm-homestead lessees to amalgamate their holdings where the sections are too rough or too small to be held separately.

Section 173 : Section 173, Part V., of “The Land Act, 1892,” conflicts with section 63, (4), Part I., of the same Act. The former section provides that small grazing-runs can be offered at a rent of not less than 2½ per cent. of capital value, while the latter section provides that the deposit shall consist of 1¼ per cent. of capital value. Therefore, if, for instance, the rent is fixed at 5 per cent., instead of 2½ per cent. as is now the custom in this district, the deposit fixed by law is the rent for only three months instead of six, as is shown by the following case : A small grazing-run of 1,000 acres valued at £1 per acre, on which rent is calculated at the rate of 5 per cent. : Capital value, £1,000 ; annual rent, £50 ; half-year’s rent, £25. In this case, section 63, (4), provides for only 1¼ per cent. being paid as deposit—viz., £12 10s., but the custom in similar cases is to collect one half-year’s rent as part deposit.

Section 203 : Add after “license issued,” “under this part of,” so as to make this section of the Act apply to pastoral licenses only.

Take power to dispose of sites for dairy factory and creamery, churches, &c., without competition, and to enable certificates of title to be issued for sites transferred by lessees or licensees. The Act does not cover cases of this kind at present.

“*The Land Act Amendment Act, 1895.*”

Section 9 : After “transfer it to the” in (1) include a widower, and make provision for the surviving parent to hold the property in trust for the children and him- or her-self.

Section 12 requires amendment to enable new dealings to be effected during the first twelve months, and also dealings on original leases to stand. This might possibly be effected by dating back new leases to date of original lease. (See notes above relating to section 83, which also deals with this question.)

“*The Land for Settlements Act, 1900.*”

Section 49 (16) : This is hardly wide enough. A lessee’s holding may be large enough, and still it may be advisable to allot him an additional small area for water access or some other reason. After the word “family,” insert “or for the proper working of his holding.” Provision is 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 would 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. Provision should, however, be made for payment of the usual transfer and survey fees.

SUMMARY OF GENERAL INFORMATION.

Number of tenures, 16; number of selectors, 3,084; area held as at the 31st March, 1905, 738,649 acres and 39 perches; total annual rent receivable as at the 31st March, 1905, £40,898 16s. 5d.; rebates of rent allowed from the 1st January, 1901, to the 31st March, 1905—number 7725, total rebates allowed £8,669 9s. 9d., average rebate £1 2s. 6d.; selections under "The Bush and Swamp Crown Lands Settlement Act, 1903,"—number 60, area 45,233 acres and 14 perches, amount of rent remitted £7,946 18s.; mortgages to Advances to Settlers Office Superintendent for the year ended the 31st March, 1905, 164; mortgages to private persons for the year ended the 31st March, 1905, 315; forfeitures during year ended the 31st March, 1905, 21 (including nine forfeitures at the request of the lessee); arrears (exclusive of current half-year's rent) as at the 31st March, 1905—number 158, amount £1,538 14s. 7d.; defaulters under ordinary Crown lands—residential 248, improvements 151; defaulters under Land for Settlements—residential 17, improvements nil.

SCHEDULE OF TENURES IN THE WELLINGTON LAND DISTRICT.

Tenure.	Number of Selectors.	Area.		Annual Rent.			Number of Forfeitures, 1904-5.	Number in Arrear, 1904-5.
		A.	R. P.	£	s.	d.		
Deferred payment	2	981	0 22	18	10	8	..	1
Perpetual lease	31	11,330	2 29	438	15	11	..	3
Occupation with right of purchase ..	627	206,316	0 34	11,515	6	1	4	16
Lease in perpetuity (ordinary) ..	471	138,917	3 7	6,019	2	6	1	19
„ (Land for Settlements)	235	21,100	3 23	8,522	9	0	1	4
Village-homestead special settlement (lease in perpetuity and perpetual lease)	586	10,711	2 22	1,808	11	9	5	39
Special-settlement associations (lease in perpetuity)	431	78,258	3 5	4,473	2	11	..	21
Small grazing-run (ordinary) ..	85	76,202	3 22	2,332	8	6	1	8
„ (Land for Settlements)	1	1,030	0 0	171	13	4	..	..
Small grazing-run (endowment) ..	1	1,780	0 0	44	10	0	..	..
Pastoral runs	24	96,691	0 0	1,682	15	2	..	..
Miscellaneous	231	73,458	3 15	1,467	0	10	4	16
„ (Land for Settlements)	9	2,718	2 3	277	1	10	..	..
„ (endowments)	7	21	0 18	19	18	0	..	..
Native townships	162	412	2 6	671	10	2	5	5
Improved farms	181	18,717	0 33	1,435	19	9	..	26
Total	3,084	738,649	0 39	40,898	16	5	21	158

Land for Settlements.—Paparangi, 37 selectors; Ohakea, 15; Te Matua, 13; Aorangi, 37; Langdale, 28; Mangawhata, 7; Epuni, 42; Maungakari, 19; Linton, 5; Longbush, 6; Tablelands, 9; Normandale, 27: total, 12 settlements, 245 selectors.

Improved Farms (registered).—Pemberton, 13 selectors; Kawatau, 11; Hautapu, 12; Masterton-Tenui, 12; Akitio, 36; Horopito, 3; Otaihape, 10; Ohutu, 34; Otuarei, 6; Rongoiti, 5; Mangatiti, 23; Oraukura, 9; Sommerville, 1; Taihape Extension, 6: total, 14 settlements, 181 selectors.

Improved Farms (not registered, as no rent due yet).—Kauaekeke, 1 selector; Tapui, 3; Raketa-pauma, 17; Mangatiti, 6; Oraukura, 1; Sommerville, 7; Namunui, 23: total, 7 settlements, 58 selectors.

Village-homestead Settlements.—Bunnythorpe, 1 section; Hastwell, 13; Hawaenga, 4; Horowhenua, 46; Horowhenua East, 13; Hunterville, 6; Karewarewa, 15; Korokoro, 22; Levin, 14; Mangaramarama, 24; Mangatainoka, 26; Makuri, 17; Mangaone, 6; Makairo, 11; Mangamahu, 10; Mangaweka, 27; Mangaweka Extension, 6; Mangaweka North, 4; Makohine, 11; Marshall, 3; Mataroa, 10; McKenzie, 7; Mowhanau, 4; Ngaturi, 4; Ngamatea, 3; Nauhura, 11; Paa Creek, 3; Pahiatua, 72; Pahiatua West, 9; Pakihikura, 11; Pongaroa, 35; Pouhiou, 3; Rakaunui, 22; Rakautoru, 11; Raitihi, 24; Rewa, 8; Taihape, 28; Torere, 4; Tutaekara, 16; Umutoi, 1; Upper Makuri, 4; Welford, 4; West Waitapu, 6; isolated sections, 7: total, 44 settlements, 586 sections.

Some Particulars of Crown and Native Lands.—Area of Crown lands undisposed of as at 31st March, 1905—95,764 acres open, 390,539 acres not open, total 486,306; area of State forests and forest reserves, 562,352 acres; area of Native land occupied as at 31st March, 1905 (approximate), 1,050,833 acres; area of unoccupied Native land as at 31st March, 1905 (approximate), 482,218 acres; total area of

Native lands as at 31st March, 1905, 1,533,051 acres. Area of Native lands passed through Court, 1,428,320 acres; area of Native land not passed through Court, 104,731 acres; lands under administration of Maori Land Councils, 100,554 acres.

Total Area of Various Endowments and Ordinary Reserves set aside in the Wellington Land District.—For acclimatisation, 500a.; bridge and ford, 161a. Or. 37p.; cave, 7a. Ir. 19p.; cemetery, 498a. Or. 25p.; courthouse, 11a. 2r. 9p.; college, 11,251a. 3r. 13p.; dairy, 1a. 3r. 30p.; English Church mission and parsonage, 10a. 3r. 18p.; college and grammar-school endowment, 10a. 3r. 17p.; Wellington Borough endowment, 1,601a.; Wanganui Harbour Board endowment, 6,935a. Ir. 34p.; Wanganui River Trust endowment, 38,000a.; ferry and ford, 985a. 3r. 14p.; State forest, 463,782a.; forest, 98,570a.; flagstaff, 10a. Ir. 25p.; gaol-site, 1a.; gardens, 76a. 2r. 25p.; Government House and grounds, 5a. Ir. 39p.; gravel, 1,327a. Or. 10p.; girls' high school, 2,973a. 3r. 12p.; harbour and river, 1,278a. Ir. 29p.; hot springs, 59a. 3r. 24p.; hospital and asylum, 169a. 2r. 30p.; landguard, 20a.; limestone, 5a.; landing-place, 39a. 2r. 16p.; lighthouse, 191a. 3r. 14p.; library and mechanics' institute, 9a. 3r. 36p.; Mount Cook Barracks, 13a. 3r. 32p.; military, 613a. Ir. 16p.; municipal, 4,545a. Ir. 34p. (of this area 4,142 acres is not vested); national park, 62,300a.; old men's home, 3a. 3r. 15p.; orphan asylum, 1a.; pound, 15a. 2r. 16p.; police purposes, 15a. Or. 9p.; pilot-station, 79a. Or. 8p.; primary-education reserve, 112,606a.; public parks, 390a.; public buildings, 125a. Ir. 35p. public utility, 70a.; quarantine, 67a. 2r. 24p.; quarry, 9a. Or. 9p.; racecourse, 255a. Ir. 3p.; rabbit-fence men's reserve, 20a. Ir.; Roman Catholic school, 1a.; railway, 1,249a. Or. 23p.; recreation, 4,977a. Ir. 2p.; reformatory, 404a. 3r. 30p.; roadmen's hut, 47a. 3r. 29p.; rifle range, 33a. 3r. 30p.; river-protection, 482a. 3r. 14p.; rubbish, 47a. Or. 14p.; school, 2,217a.; Scotch Church, 1r. 12p.; showground, 9a. 2r.; signal-station, 424a. (of this area, 418 acres at Foxton is leased to Francis Robinson and Sons); stock, 546a. 3r. 24p.; Sussex Square, 9a. 3r.; telegraph-station, 6a. Or. 39p.; Thorndon Esplanade, 6a. 3r. 38p.; Town Belt, 1,667a.; totara, 212a.; Town Hall, 8a. Ir. 21p.; university, 4,000a.; water reserve, 237a. 2r. 34p.; Wesleyan Industrial School, 73a. 2r. 22p.; Wesleyan Church, 1a. Ir.; Patea Harbour Board, 152a. Ir. 34p.; total area, 614,193a. Ir. 34p.

NOTES AS TO EDUCATION RESERVES IN WELLINGTON PROVINCIAL DISTRICT.

Reserves leased as at 15th June, 1905.—Number of tenants, 477; area, 97,638 acres and 30 perches annual rent payable, £6,466 11s. 10d.

Length of lease.—Twenty-one years (excepting forty-nine leases, which are for thirty years).

Right of renewal.—All have right of renewal for other twenty-one years, except a few of the earlier leases which have still to fall in.

Restrictions in regard to transfers, subleases, mortgages, &c., or with respect to cropping, fencing, or clearing, &c.—No restrictions, except that leases have the usual clause as to noxious weeds, and that mortgages have to be in terms of section 83, (3), of "The Land Act, 1892."

Compensation at end of term.—The compensation provided for in the leases does not include bushfelling, and grassing.

Is working satisfactory to Commissioners and tenants?—Yes; there are practically no complaints.

Arrears of rents.—The arrears of rent at present outstanding are £17 11s. 3d., owed by three tenants.

Cost of a lease.—£2 10s., paid by lessee.

Cost of a transfer.—No charge made by Commissioners.

Are lands as well farmed, and fences, &c., kept in as good order as on adjoining freeholds or leaseholds?—There are no residential or improvement conditions imposed in the leases, but as far as the Commissioners' knowledge extends the farming and conditions of the land, fences, buildings, &c., compare favourably with those on adjoining lands. Most of the Commissioners' tenants are farmers of the better class, who in their own interests work the land to the best advantage, and keep their fences and buildings (for which compensation is allowed at the end of their terms) in good order.

Punctual payment of rent.—As will be noted above, the rents are paid up satisfactorily.

Forfeiture.—Cases of forfeiture or abandonment are of rare occurrence.

Renewals.—In almost all cases the lessees exercise their right of obtaining renewals at rentals fixed by arbitration.

J. H. A. WARDROP,

Wellington, 15th June, 1905.

Secretary, Wellington School Commissioners.

GENERAL REMARKS.

Deferred payments are now practically extinct, but in its time it was a most popular and useful class of settlement. Perpetual lease is rapidly becoming extinct, only thirty-one now remaining on the books.

The occupation-with-right-of-purchase, lease-in-perpetuity, and small-grazing-run are now the principal tenures under the ordinary conditions of "The Land Act, 1892." The first two systems also include the improved-farm settlement; the second system embraces the land for settlements, lease in perpetuity, and village-homestead and other special settlements.

The village homestead has been a very useful and much availed-of tenure, and served a very good purpose, especially in supplying homes for working-men and small settlers, also their families whilst the selectors were following work in the surrounding districts. Some of the principal settlements are—Hastwell, Pahiatua, Mangatainoka, Mangaramarama, &c., on the East Coast, and Korokoro, Horowhenua, Levin, Hunterville, Mangaweka, Taihape, Raetihi, &c., on the West Coast.

Of all the systems of tenure now in vogue, none are so much sought after and so suitable to the circumstances of the poorer classes of settler as the improved-farm settlement, principally owing to the assistance rendered to settlers during the early stages of felling, clearing, and building by the Government. (See my fuller remarks on pages 10 and 11 of parliamentary paper C.—8.)

As the principal cause of friction between Land Boards and their tenants is undoubtedly principally owing to the question of compulsory residence for stated periods, it is worth considering whether the provisions of section 21 of the Land Act of 1887 should be revived, and made to apply to lease in perpetuity and occupation with right of purchase or small grazing-runs under "The Land Act, 1892." This would, of course, give artisans, business-men, and other residents in towns, the opportunity of investing their savings in land; but it is open to question whether or not the resident population on the land would thereby be permanently increased, although, no doubt, a registered substitute would be required, but the residence of such registered substitute, even with an equal family, who has no permanent interest in the land, can never be of the same value to the local community as that of the real owner or lessee of the land.

Settlers sometimes complain that they are handicapped through the Board's leniency in not insisting more stringently on *bonâ fide* residence of some of their neighbours, thereby prejudicially affecting them in the following matters—viz., road access, schooling, fencing, social intercourse, and general community of interests.

Under the Village Homestead Regulations (page 95, clause 10) married women are barred from becoming lessees by selection or transfer. Does this not conflict with sections 93 and 169, subsection 4, (a), of "The Land Act, 1892,"? The former says a married woman may become the selector of 320 acres of first- or 1,000 acres of second-class land. The latter says that these allotments shall only be offered on lease in perpetuity under Part III. of this Act, and that application for leases shall be made as provided in Part I., which defines the selector's privileges, limitations, and penalties, &c.

115. *The Chairman.*] Married women have been mentioned very often: why should a married woman be in a different position from that of a married man?—That is a matter over which I have no control, and is statutory.

116. *Mr. Anstey.*] What is your opinion?—I do not see why she should be treated differently to a single woman who has the right to select 640 acres, and I do not see why a married woman should not be on the same footing, provided her husband is landless.

Mortgages under section 83, "Land Act, 1892," and section 60, "Land for Settlements Consolidation Act, 1900."—Reference has frequently been made in evidence before the Commission as to whether the law should or should not fix the maximum rate of interest chargeable on these mortgages by private lenders. This is no doubt very desirable if it can be done in such a way as to be a benefit to the settler, but my experience is that settlers would be more frequently hampered than benefited by such a law. When desirous of obtaining advances at short notice to buy stock when the chance occurs of getting them cheap, in such cases it would often pay him to give more than 8 per cent., which is now supposed to pass current as the maximum charge for interest on these transactions; but I think I am quite safe in saying that the good intentions of the Government and Land Boards in this direction are frequently frustrated by arrangements between the settlers and lender, whereby the nominal amount of the loan is increased by a sum sufficient to cover the difference in interest required by the lender above the fixed maximum.

The provisions of sections 13 to 16 of "The Land Act, 1892," require modification to enable the purposes to be achieved with less procedure and more certainty, and especially in the direction of enabling the more facile substitution of old for new roads in the security for mortgages affecting lands taken for roads.

There is practically no aggregation of estates in this district worth mentioning, only a few amalgamations of holdings under different tenures, but within the limits of the Act, are being effected. Were it not, however, for the restrictions of the law as to area and residence, I have no doubt that large aggregations of areas would take place.

Several applications have been made by local bodies for the Land Board to collect rates in arrear on Crown leases, section 124 of "The Land Act, 1892," being quoted as the authority for the request. My Board, however, has always interpreted that section to apply only to cases where forfeiture has taken place for non-payment of rates; and also that the Board considers it is the duty of the local body to collect its rates whilst the tenant is in actual occupation of the land. It is also obvious that to forfeit a selector's holding for such small amounts usually due would be a very drastic and inadvisable course to pursue.

REASONS why Post-offices should not receive Rents, &c., on Crown Lands as suggested by at least one Witness before the Commission.

1. That any selector can at the present moment walk into any money-order office, produce his rent notice, and demand a post-office order in favour of the Receiver of Land Revenue free of charge, and also post the same free of postage.

2. That provision is made by which settlers can send their cheques and orders on financial companies without being marked "good."

3. That moneys received through the post-office would be all paid to the Public Account, whereas portions must be paid to Local Bodies' Deposit Account; Loan Account; North Island Main Trunk Account, Endowment Account, and in some cases to Ordngry Deposit Account, besides to Public Account. This course would entail a vast amount of work in the Treasury and this office, in adjusting payments, &c., and practically increase the work of the three Departments.

4. That the Land Board would probably not be advised of collection of rent for a week or considerably longer. Consequently, action might be taken at a meeting of the Board which might complicate matters, not knowing whether the money was received or not.

RETURN of Mortgages approved by the Land Board during the Year to Private Persons showing the respective Rates on Occupation with Right of Purchase and Lease in Perpetuity.

Total mortgages, occupation with right of purchase, 137; mortgages, lease in perpetuity, 162: total, 299.

Advances by banks and companies on occupation with right of purchase, 40; on lease in perpetuity, 26.

Rates of Interest.

	Occupation with Right of Purchase	Lease in Perpetuity.
Nil	1	1
Current rates	2	3
2½ per cent. .. .. .	..	1
4 „	1	1
4½ „ .. .. .	..	2
5 „	20	18
5½ „	8	12
6 „	18	25
6½ „	14	19
7 „	19	38
7½ „	1	3
8 „	53	39
Total	137	162

1. “Constitution of Land Boards.”

I think that the number of members should not exceed five, including the Commissioner.

That the term of office should be two years.

That all members be appointed by Government subject to the following:—That not less than one nor more than two Crown tenants shall in any case be members of any one Board.

That the word “twenty-one” be inserted in lieu of the word “ten” in the ninth line of section 47 of “The Land Act, 1892.”

That otherwise all the provisions of “The Land Act, 1892,” and its amendments, “The Land for Settlements Consolidation Act, 1900,” and its amendments, and any other Acts relating to the powers and duties, &c., of Land Boards shall be maintained.

A Board of five members should be quite large enough to insure a quorum being in attendance, and my experience is that a small or medium-sized Board, such as is now proposed, gets through the business more expeditiously than a larger one.

As the Land Act and its amendments must always be an important factor in the policy of the Government of the day, it is absolutely necessary that it should have the power to appoint men known to be in sympathy with the land laws for the time being in force, and who are capable of administering them in a fair and impartial spirit. The elective principle is unsuitable. The constituencies would necessarily have to be the land districts in most cases these are very large, and to canvass them every two years would be inconvenient and costly. Members of Land Boards thus elected would certainly be important personages representing constituencies which would include several electoral districts for the House of Representatives, or else the land district would have to be divided up into ridings, each returning one member, but this also would be expensive and very unsatisfactory.

A partly nominated and partly elected Board would, I fear, be equally unsatisfactory, and might lead up to the introduction of party politics into the discussions of a Board whose duties are purely judicial and administrative.

As Crown-tenant members of a Board are often called upon to decide questions in which they have a common interest, their representation should be a minority one.

Payment of Members.—From personal experience, I can say that the remuneration of 10s. per day, as at present allowed by the Act, is most inadequate, being hardly sufficient to pay hotel expenses, leaving nothing for the time occupied, and I think £1 ls., proposed to be inserted, is by no means over-liberal pay for men of the right stamp for Land Board members, who should possess a thorough knowledge of settlement conditions and requirements, also a fair knowledge of business principles, combined with tact and firmness.

2. “The tenures upon which lands may be obtained and occupied.”

My views with respect to land tenures are as follows:—(See page 52 of Land Board Conference Report, 1904.) I am of opinion that the tenures as at present contained in “The Land Act, 1892,” its amendments, “The Land for Settlements Consolidation Act, 1900,” its amendments, “The Lands Improvement and Native Lands Acquisition Act, 1894,” and regulations thereunder: seem to provide fair and reasonable scope for would-be selectors of Crown lands, although consideration might be given as to whether or not it is desirable to widen that scope by reintroducing some of the principles of the deferred-payment system, leaving it for the Government to determine whether such principles might not, with advantage to selectors, be introduced in the case of future selections made in the rougher and more remote Crown lands on the occupation-with-right-of-purchase system. This would mean that instead of paying interest for the full or limited periods prescribed in sections 152 and 156 of “The Land Act, 1892,” and being at the end thereof required to pay up the full price of the land in cash in one sum, they would pay the amount off gradually, and thereby save considerably on the interest pay-

ments. Something like this, together with the proposed relaxation of the residential conditions on these poor and remote Crown lands, would go far to encourage the taking-up and eventual occupation thereof. The present Land Acts worked very satisfactorily, and, if extended and modified to meet the altered times and class of land now at disposal, they would continue to meet all requirements. My experience was similar to that of Mr. Humphries in regard to the contentment of our land for settlements generally with the lease-in-perpetuity tenure under which they held. Members of the Conference should consider well before giving their vote on Mr. Renner's motion, and remember that all who voted "Aye" voted against the continuance of the optional systems of the present Act. It might also be worth considering whether in certain parts of the colony where the land was remote, poor, and the population small and scattered, it might not be advisable to reintroduce the provisions of the homestead system of 1885, or a modified form thereof, but that, I understood, they would have an opportunity of discussing later on.

3. "Whether Crown tenants labour under restrictions which are inimical to their well-being and unnecessary in the interests of the State."
4. "To inquire and advise whether the residential conditions now existing are too exacting and require relaxing."

For my remarks and views under these headings, see pages 8, 9, and 10 of the Land Boards Conference Report, December, 1904.

With regard to the cropping regulations, my motion at the Conference of Land Boards was as follows:—"That the regulations with regard to the cropping of lands held under the Land for Settlements Acts appear to require amending in the direction of giving Land Boards the power to fix the number and rotation of crops to be taken from each holding, so as, where in the opinion of the Boards it is desirable in the interests of settlement, and where such can be done without detriment to the land to allow lessees to take a greater number of green and grain crops than those at present specified." It seemed to me quite impossible to frame any set of regulations that would apply equally to all classes of land in the colony, to each Island, or even to each district, on account of the varying climate and difference of soils, the latter frequently changing on opposite sides of a stream or ridge. The matter was further affected by the question of whether the land was dry or open, by the nature of the subsoil, whether it had previously been bush or swamp land, by its aspect or exposure, and by a variety of other circumstances. I had therefore come to the conclusion that, instead of having one hard-and-fast set of rules and regulations for cropping throughout the colony, the various Land Boards should be given power to fix the number and rotation of crops to be taken in each settlement, and, if necessary, from each section therein, as the respective Boards might consider advisable in the interests of settlement, and without injury to the land. I considered that the Board's decision should be final in each case, and that there should be no right of appeal, otherwise disputes would be interminable.

My intention was not, as apparently supposed by some members of the Land Board Conference, to cancel the present regulations, or even section 18 thereof, as the retention of this section will be necessary in dealing with the poorer classes of lands.

5. "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."

This has already been partly dealt with in so far as the homestead system is concerned. Otherwise, I do not think that the question of tenures and occupation already provided under the Land Acts requires alteration or variation on account of the climate or land-configuration, unless it be in the direction of providing a third class of land (to come between the present second class and pastoral lands under Part VI. of "The Land Act, 1892," with a maximum limit of area up to, say, 5,000 to 10,000 acres, in accordance with the quality, locality, geographical position, and a minimum price of, say, 2s. 6d. per acre, with residence as proposed in small grazing-runs on page 9—viz., as in occupation with right of purchase, and improvements as in existing small grazing-runs, with the exception of an addition to clause 179 of "The Land Act, 1892," to be inserted between lines 10 and 11 thereof, and to read "or of 2s. 6d. per acre if third-class land."

6. "Also as to the reintroduction of the homestead privileges."

It does not seem necessary to introduce this system into this district.

7. "As to the working of the present ballot system, and the dealing with applications for land."

The present ballot system and the receiving of applications for land under "The Land Act, 1892," have been fully dealt with in my report published in Parliamentary Paper C.—8, 1903, page 10, clause 6.

For the reasons stated therein, I think the Land Boards should have power to examine and classify all applicants in accordance with their suitability, experience, means, &c., and if necessary, to reject unsuitable ones. When this has been done, the present system of determining the successful applicant is perfectly fair, suitable, reasonably expeditious, and economical.

In regard to ballots and applications for land under the Land for Settlements Acts, the Boards have already the power to examine and reject applicants, and this works very satisfactorily, but in regard to the grouping of allotments and methods of balloting prescribed by section 8 of "The Land for Settlements Act, 1901," frequent complaints are made by applicants who have drawn allotments which they did not want (in a group) and which under the Act they might perhaps be compelled to take, and, whether they take them or not, thereby lose their chance for the allotments desired and indicated for

choice in their applications; they also complain of having to run the risk of their deposits being forfeited should they decline to take the allotments drawn as above.

Land for Settlements Ballot.—First, the lands offered for selection should be classified and grouped in accordance with section 8 (1), of “The Land for Settlements Amendment Act, 1901.” Second, each applicant should apply for the section he prefers in any one group. Third, a straight-out ballot should then be taken between all the applicants in each group to determine their order of choice for sections in that group. Fourth, in the event of the section for which the applicant has applied being selected before his order of choice came round, he should be allowed to select any section remaining open in his group, or, if he wished, he should be allowed to withdraw from the ballot and have his deposit returned.

My views in regard to dealing with applications and preference to applicants are set forth in Parliamentary Paper C.—8 (on the land-ballot system), pages 10 and 11.

I am also, of course, assuming that the applicants have all been examined and approved by the Land Board.

Ballots under “The Land Act, 1892.”—These are at present straight-out ballots, but I think as already recommended in C.—8, referred to above, that all applicants should come before a Land Board for examination and approval; this course is not pursued at present.

8. “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.”

I have had particulars prepared showing the blocks loaded and the amounts borrowed thereon, the particulars as to the amounts expended, and balances still available have been obtained from the Department of Roads, and generally good faith has undoubtedly been kept with the settlers in the matter of expenditure on roading.

9. “Generally as to whether lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office.”

As the proportion of advances made by the Superintendent to leaseholders is less than that made to freeholders, Crown tenants are thereby placed at a disadvantage, and have frequently to go into the open market to obtain the full amount they require, and in consequence have usually to pay a higher rate of interest than that charged by the Advances to Settlers Office. Crown tenants should, therefore, be enabled to obtain the same proportion of advances as freeholders, or as nearly so as possible. I see no reason why substantial advances should not be made against the lessees’ goodwill in a lease-in-perpetuity section.

As the Advances to Settlers Department was originally created for the special benefit of Crown tenants, it is worth considering whether the future operations of that Department or a branch of it should not be confined to making advances to Crown tenants only. Statutory power might be obtained authorising the setting-aside of a certain proportion of all moneys borrowed under this Act (say, one-half or three-fourths) for lending to Crown lessees only on the security of their improvements and goodwill in the leases.

The proportion of advances which the Superintendent can make on freehold and leasehold properties is, of course, strictly limited by statute, and the amount at his disposal in any one year is also, no doubt, limited; and as he is not bared by statute from lending on freeholds, and naturally desires to run his Department on business lines, it is therefore exceedingly likely that he will select what the money-lenders call “the gilt-edge securities,” and this, of course, means that the bulk of the advances may be made on freehold securities, to the detriment of the Crown tenant, on whose improvements only the Department can make advances. It seems worth considering whether the goodwill, or a portion thereof, could not be advanced against. A leasehold is looked on as only a chattel, and consequently limited security, being liable to foreclosure for failure to comply with residence and other conditions. To remedy this, statutory power is required enabling the Department to make the same proportion of advances on highly improved Crown leaseholds as on freeholds, and it may also be further considered whether the future operations of the Advances to Settlers Office should not be strictly confined to Crown leaseholds only, as was probably originally intended.

In travelling round the district many complaints were made to our Board about the difficulty and delay experienced in some cases in obtaining advances from the Department, but of the facts of the cases we had no means of judging, as we only heard one side of the story, and the Superintendent might, had he been there, have been able to put matters in a somewhat different colour: the experience of our own Board being that it is not wise to come to conclusions without first hearing both sides; but, even supposing that individual cases of hardship and disappointment have occurred, there is no gain-saying the fact that the creation of the Advances to Settlers Department has proved an immense boon to the settlers generally.

It has been suggested that the valuation fee in every case where a loan is refused should be returned, but this would hardly do, and could only reasonably be done or expected in cases where the loan was declined; not because of insufficient security, non-residence, or for other good reasons, but because the Department is disinclined to lend through no fault of the applicant or his security.

10. “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.”

From my own personal observation the settlers in this district generally undoubtedly appear to be prosperous and contented. This is also supported by the periodical reports made by the Crown

Lands Rangers, in which, *inter alia*, it invariably appears that the value of improvements effected are far in excess of those required by the terms of the lease, as shown in the following schedule :—

Year.			Value required.	Value effected.	Excess.
1899-1900	..	..	£101,691	£317,780	£216,089
1900-1	..	..	49,839	206,826	156,987
1901-2	..	..	102,443	215,366	112,923
1902-3	..	..	135,246	286,875	151,629
1903-4	..	..	155,174	346,389	191,215
Totals	..	..	£544,393	£1,373,236	£828,843

This is also further evidenced by the keen competition for sections that have reverted to the Crown and been reoffered, generally at the same or a higher valuation, and these sections are rarely thrown up a second time, in fact, whenever any piece of Crown lands suitable for settlement is offered, it is eagerly sought after, clearly showing that the provisions of the Land Acts and their administration in no way deters selectors from taking up Crown leases or licenses.

The transfers coming before the Board from time to time constantly disclose that in very few cases do transfers take place except at a substantial and sometimes very large profit, notwithstanding the fact that many of these sections have changed hands more than once.

Bankruptcies amongst Crown tenants are almost unknown in this district, further proving the prosperity of settlement.

In concluding this statement, I desire to acknowledge my indebtedness to the following gentlemen (especially the first named) for the great assistance rendered me in getting up and compiling the information contained therein—viz : Messrs. Wright, McCormick, Joseph, Duncan, and other officers.

PRÉCIS OF THE LATE MR. CHAPMAN'S CASE.

From the following copies of correspondence that passed at the time, it will be clearly seen that there was absolutely no foundation for the statements made by Mr. Johns, at Pahiatua, on the 10th instant, before the Commission, and that the charges made then and previously were actually pure fiction.

THE LATE MR. CHAPMAN AND THE LAND BOARD.

(To the Editor.)

SIR,—The following paragraph, appearing in your issue of the 3rd instant, has been brought under my notice :—

“A sad gloom spread over this district on New Year's morn, when it became known that Mr. J. H. Chapman was found dead in one of his outhouses. . . . It is rumoured that he had been sorely worried of late by the Land Board officials *re* the residential clause on his section at Pongaroa. It appears the deceased had done a considerable amount of improvements on the section, amounting to upwards of £300, and had been notified that unless he fulfilled the residential clause of the Act the section would be forfeited. He has made his home at Mangatainoka second to none in the Forty-mile Bush. The children are all very young. Finding his home not large enough he took up another section, and by indomitable pluck succeeded in getting a good portion of it felled and grassed, only to find at this juncture his only reward to be a direct threat of certain forfeiture of all his interests in the said section if he did not forthwith take his family away from all possibility of receiving an education to the wilds of Mount Marchant. If this is the way the present administrators of our land laws intend to act, the sooner they make room for a more humane class of administrators the better. The present system is rotten, deny it who may.”

I have looked through the records relating to the late Mr. Chapman's section in the Pongaroa district and find that the Crown Lands Ranger's reports of the 27th May, 1896, and the 8th May, 1897, were thoroughly satisfactory as regards the conditions of the Act, and that residence upon the section was not due till January, 1899, and, of course, was never called in question by the Land Board or Government officials. The very latest communication between this office and the lessee was dated the 16th March, 1897, and had reference to payment of rent. No reply was received thereto and the matter was not followed from that day to this.

With regard to the deceased's Mangatainoka village-settlement section, held since 1889, all the Ranger's reports were eminently satisfactory, and no question of residence was ever raised. The last communication in connection with the section was a demand for rent made on 23rd March, 1897, which was not replied to, though steps were taken to meet the claim.

To the best of my knowledge and belief no other communications were forwarded from this office to the lessee. On behalf of the Land Board, and in the public interests, I have, therefore, to give an absolute denial as to the correctness of the statements in the paragraph quoted, which I hope, will be admitted to be sufficient warrant for my referring to the case, though out of respect for the memory of such an excellent settler, and sympathy for the family, I regret the necessity of having to do so.

—I am, &c.,

J. W. A. MARCHANT,

Commissioner of Crown Lands.

THE LANDS DEPARTMENT AND THE LATE MR. CHAPMAN.

[From the *Pahiatua Herald* of Friday, 14th January, 1898.]

With genuine pleasure we direct attention to the letter in another column from Mr. J. W. A. Marchant, Commissioner of Crown Lands, *re* the dealings of the Lands Department with the late Mr. Chapman of Mangatainoka. Unquestionably Mr. Marchant's letter is a complete refutation of the

statements made by our correspondent, and we gladly accept the opportunity of exonerating the Land Board and its officials from any blame in the matter.

Mr. H. P. Kavanagh, the Crown Lands Ranger, says he always regarded Mr. Chapman as a first-class settler, who complied in every way with the regulations, and his name only appeared in the books as showing that the ordinary inspections had been made. No report had ever been made against Mr. Chapman, and only the ordinary formal notices issued to Crown tenants had ever been sent to him. We are pleased to be able to publish this denial of the Commissioner's, which effectually removes from the Lands Department the stigma of having been unduly harsh in its dealings with an industrious and deserving settler.

Pahiatua, 18th January, 1898.

Section 18, Block XI., Makuri.

SIR,—Mrs. Chapman, widow of the late selector of the above section, wishes me to write in reference to a letter published in the *Pahiatua Herald* of the 14th instant, over your signature. Mrs. Chapman feels that the letter was written with kindly sympathy, but at the same time it has left an impression contrary to fact. The letter in the *Herald* states that the very latest communication with the late Mr. Chapman from the Crown Lands Office was dated the 16th March, 1897, demanding the rent, and since then the matter had not been followed up. It would thus appear that Mr. Chapman had not paid his rent. Mrs. Chapman showed me the receipt for the rent on the Pongaroa section, dated the 3rd December, 1897. The latest communication from your office to Mr. Chapman is dated the 24th December, 1897, and is a demand for the next half-year's rent. This was also shown to me.—

R. P. GREVILLE,

Land Agent and Surveyor.

J. W. A. Marchant, Esq., Commissioner of Crown Lands, Wellington.

Section 18, Block XI., Makuri.

SIR,—In reply to your letter of the 18th instant, I very much regret that Mrs. Chapman should have to take exception to any statement in my letter to the *Pahiatua Herald*, which was carefully framed so as not to cast any possible reflection on the late Mr. Chapman, whilst at the same time giving an absolute denial to the unfounded charges brought against the Land Board by the newspaper correspondent. It is perfectly true that, on the 2nd December last, Mr. Chapman paid the arrears of rent due on the Pongaroa section, nine months after he had been called upon to do so, but the two payments then due on the Mangatainoka section were not paid, and are still outstanding. I did not, however, wish to state specifically in my letter to the newspaper that Mr. Chapman had been so long in paying his arrears on the one section, and had not paid them at all on the other; whilst I was compelled, in defence of the Land Board, to mention the fact that the notices sent with regard to the arrears in March last year had not been followed up, as they might have been, by enforcement of payment or the forfeiture of the sections. I now find, although my attention was not drawn to it when writing to the newspaper, that a notice was sent to Mr. Chapman on the 24th December last as stated by you, but this was merely the usual half-yearly printed notice (copy attached), reminding him of the rent falling due on the 1st instant, which was sent to him in common with all the other selectors in the Wellington Land District, and cannot be considered in any sense a notice of default. You are at liberty to make any use of this memorandum you may think proper.—I am, &c.,

J. W. A. MARCHANT,

Commissioner of Crown Lands.

R. P. Greville, Esq., Surveyor, Pahiatua.

THE LATE MR. CHAPMAN AND THE LAND BOARD.

[From the *Pahiatua Herald* of Friday, 28th January, 1898.]

(To the Editor.)

SIR,—Will you kindly publish the following letters in reference to a letter, published on the 14th instant, written by the Commissioner of Crown Lands. It may be interesting to note that the rent on the village section, which is twelve months in arrear is only about £1 10s., and that the improvements effected by the late Mr. Chapman are, at the minimum, worth £400. The rent on the Pongaroa section, which is paid up to date, amounts to £15 a year, and the value of improvements is about £250.—I am, &c.,

R. P. GREVILLE.

Forfeited at Mrs. Chapman's request, 27th April, 1899. Mrs. Chapman's valuation of improvements (27th May, 1899), £198 14s. Ranger's valuation of improvements (6th May, 1899), £150. Mrs. Chapman writes, is willing to take £100 for the improvements, 21st April, 1900. Ranger recommends reduction to £101 10s., 25th May, 1900. Mrs. Chapman wants improvements reduced to £80, 15th August, 1900. Board decided to reduce to £90 only, 30th August, 1900. Section offered weighted with £101 1s., as a Mr. Tobin offered to take it up if improvements were valued at £100, 7th November, 1900. Section offered weighted with £81 1s., 30th April, 1901. Section applied for, January, 1902.

PRÉCIS OF J. JESSOP'S CASE.

The complaint in this case is that his name appeared in the newspaper report of the Land Board's proceedings, along with those of other selectors who were in arrear with payments of rent. As section 48, subsection (4), of "The Land Act, 1892," prescribes that all meetings of the Land Board shall be open to the public, which means also the Press; to give effect to this and other similar requests might result in practically the greater portion of the Board's work being done in Committee. As a matter of fact, however, steps have been taken during the past year to, as far as possible, keep the names of selectors in arrear with rent from appearing

Précis of Correspondence and Action—Section 21, Pahiataua Village Settlement (mortgaged to Government Advances to Settlers); J Jessop; selected 18th June, 1886; area, 10 acres 1 rood 14 perches.—2nd January, 1903: Selector wrote *re* arrears, and forwarded £2 2s. 11d. on account, £6 3s. 11d. owing (six payments). 29th January, 1903: Land Board resolved selector be asked to make definite proposals for payment of balance. 21st February, 1903: Under-Secretary writes that selector has complained to Mr. O'Meara of his name appearing in newspapers as defaulter for rent. 26th February, 1903: Land Board decided to take no action in matter of Mr. Jessop's name appearing in paper. 26th March, 1903: Selector asked for further time to pay up, having had misfortune to be burnt out. 28th May, 1903: Land Board granted three months to 28th August, 1903, to finally pay up arrears. Rent paid up shortly after above date; since paid regularly.

PRÉCIS OF THE LATE A. W. R. SEDCOLE'S CASE.

This selector took up the land in 1893, but by subsequent arrangement, and as an act of grace, the date of selection was post-dated to the 1st January, 1895, thus giving him two years rent-free, but in November, 1895, selector not only failed to pay up the first two instalments of rent due for that year, and balance of lease fee, 11s., but did not even reply to the Board's notices, consequently his interest was forfeited on the 28th of that month.

Forfeiture was, however, suspended until the 28th January, 1897, when it was rescinded, the rent having been paid.

In July, 1898, as he again failed to pay or reply to the Board's notices, his interest was forfeited, and again held over and rescinded in July, 1899, on payment of the overdue rental.

In July, 1903, on learning of selector's death, the Board advised Mrs. Sedcole fully how to act, but as she only held a third interest in the section, the Board, in December, 1904, approved of her continuing in occupation and fulfilling residential conditions until such time as she could legally transfer the land to herself and two children according to their respective shares.

Précis of Correspondence and Action.—A. W. R. Sedcole; Section 12, Block VII., Mount Cerberus, Pahiataua, No. 3; area, 201 acres; date of selection, 1st January, 1895; residence due, 1st January, 1899.—28th November, 1895: Board resolved to forfeit, selector having failed to reply to its requisitions *re* rent. 28th January, 1897: Board rescinded forfeiture, rent having been paid. 28th July, 1898: Board forfeited for non-payment, selector having failed to reply to its notices. 29th June, 1899: Selector explains. 27th July, 1899: Forfeiture rescinded. 21st July, 1903: Commissioner having heard of death of selector, wrote advising Mrs. Sedcole what steps to take in dealing with the land. 16th August, 1903: Mrs. Sedcole states she is following Commissioner's advice. 21st April, 1904: Solicitor forwards transfer papers. 28th April, 1904: Transfer approved by Land Board. 13th December, 1904: Mrs. Sedcole having found that she could not legally transfer the section to herself, the Board approved of her continuing in occupation and fulfilling residential conditions until such time as she can legally transfer the land to herself and her two children in the shares specified in the intestate estates.

PRÉCIS OF MR. R. B. ROBERTSON'S CASE.

Selector desired to transfer to a Mr. Dickens, who already held two Crown leases aggregating 330 acres, or 530 acres in all if approved. The Board, however, on the report of the Ranger that the sections should not be amalgamated, being unsuitable for occupation in smaller holdings, refused to approve of the transfer.

Précis of Correspondence and Action.—R. B. Robertson; Section 8, Block VIII., Puketoi; area, 200 acres; selected 28th October, 1897.—13th July, 1903: Mr. Robertson applied to transfer to Mr. C. H. Dickens. 1st October, 1903: Land Board refused transfer for following reasons: That Mr. A. Dickens already holds two Crown titles, one a lease in perpetuity adjoining Robertsons' section, and the other an occupation with right of purchase, the two aggregating an area of 330 acres, and the Crown Lands Ranger reported that it is not desirable to group Section 8 with his present holding, as the sections are suitable for close settlement. There will, of course, be no objection to Mr. Robertson transferring the section to some other eligible person, provided no proposal to group sections suitable for separate settlement is made. With reference to Mr. Robertson's question *re* a transfer being allowed of Section 13, Block VIII., Puketoi, 470 acres, to a Mr. Murray, who already held 692 acres, making 1,162 acres in all, this case is not in the same category as that of Messrs. Robertson and Dickens, inasmuch as Section 13 is second-class land, it was sold by the Public Trustee in the estate of the late W. Gillespie, and the 692 acres already held by Mr. Murray was freehold land at the time.

PRÉCIS OF FRANK BURLING'S CASE.

On looking over the papers I cannot find that this selector has any complaint.

Précis of Correspondence and Action.—Frank Burling; Section 38, Block IV., Mount Cerberus; area, 200 acres; date of selection, 29th March, 1899; original date, 1st January, 1896.—13th October, 1902: Transfer to F. Burling completed. 29th March, 1904: Ranger reports selector not residing. 27th May, 1904: Selector asked to explain. 13th June, 1904: States his house is complete, and he is residing. 3rd December, 1904: Ranger verified. 3rd February, 1905: Applies for permission to reside on wife's section. 23rd February, 1905: Board approved.

PRÉCIS OF A. BROWN'S CASE.

Selected in March, 1893, but was post-dated to the 1st January, 1895, as an act of grace. In October, 1902, selector stated he was not residing and could not reside owing to the death of his wife, and further, that he desired to keep the section in trust for his thirteen-year-old son. The Board informed him that he could not be allowed to hold the section in the manner proposed, and that he should

therefore endeavour to transfer; for some considerable time he failed to find an eligible transferee, but eventually in June, 1904, transferred the section to Mr. W. J. Cox.

The statement that Mrs. Brown's death was caused by being compelled to reside on this section is shown by our records to be absolutely unfounded, as the Ranger's frequent reports clearly show that the wife and family never took up their residence on this section, but continued to live at Ngaturi. The only house then on the ground being a whare, valued at £10.

Précis of Correspondence and Action.—Section 35, Block V., Mount Cerberus, Pahiatua No. 1 Block, farm homestead; area, 200 acres; selector, Alex. Brown; date of selection, 1st January, 1905; residence due, 1st January, 1899.—25th April, 1901: Land Board resolved that only reasonable compliance is required. 7th October, 1902: Selector wants to hold section in trust for his son, who is thirteen years of age; cannot reside owing to death of wife; must place his family where they can be looked after. 27th November, 1902: Land Board resolved he should endeavour to transfer within three months, as he cannot be allowed to hold the section in manner proposed. 5th January, 1903: Asks whether he may transfer to a neighbour. 8th January, 1903: Advised an application would be considered if neighbour is eligible and satisfies Board he is a suitable person. 20th February, 1903: Asked what steps he is taking to transfer. 2nd March, 1903: Replies the declaration bars any of his neighbours from buying; cannot see why 320 acres should be the limit in his case when Souness and others hold 350 and upwards. (Farm homestead 338, lease in perpetuity 387: Held by Souness; area, 350 acres: Souness selected Section 16 (farm homestead 388), area, 250 acres, on 17th August, 1895, and Section 15 (lease in perpetuity 387) on 1st December, 1898, there being no bar in the lease, in perpetuity declaration; had he selected the lease in perpetuity first, the farm-homestead declaration would have prevented him from taking Section 16.) 1st April, 1903: Selector says he has found a purchaser and asks whether he can take a mortgage for the purchase-money. 3rd April, 1903: Ranger states road is metalled and selector should be called on to reside. 21st April, 1903: Selector was advised re mortgage and was asked to send in the application to transfer. 5th May, 1903: Selector states he has had difficulty in coming to arrangements with proposed transferee, and asks how long he would have to reside to complete the term required.

Particulars of residence by Ranger's reports:—1st May, 1896: Not residing (buildings and yards valued at £20). 28th April, 1897: Residing since 1st January, 1895 (this conflicts with above); whare valued £10. 19th July, 1899: Not residing; whare, £10; resides occasionally; family resides at Ngaturi. 29th November, 1899: Land Board granted reasonable time to reside. 8th February, 1902: Resides about half his time; whare, £10. 20th May, 1903: Ranger advised. 23rd June, 1903: Ranger states he has never seen the selector on the section since second year's report (28th April, 1897); whare is now in a dilapidated condition; selector has not resided continuously in a habitable house and is not residing at present. (From this it would appear that selector has not complied with any portion of the term of ten years' residence in a habitable house. See selectors query above (5th May, 1903). Selected 1st January, 1895; ten years will expire 1st January, 1905.) 23rd October, 1903: Selector called and was given a month's time to take his children to the South Island, after which he will improve the house and live on the section. 16th December, 1903: Selector states timber is on the ground, but it is too green to build; asks what he will do. 14th January, 1904: Selector states he has finished the outside of the building. 28th January, 1904: Ranger was asked to report whether selector resides. 23rd April, 1904: Ranger reports selector has built a substantial lean-to house (minus chimney), repaired fences, &c., but was not residing when visited; recommends he be asked to state when he proposes to reside. (See minute, 23rd October, 1903.) 28th April, 1904: Selector was asked to explain non-residence. 16th May, 1904: Selector states he is living on the section, was sowing grass-seed at the time of Ranger's visit and was on the back of his section; is now in Pahiatua obtaining treatment for an accident; asks whether wife of an adjoining selector could become transferee. 15th June, 1904: Mr. Brown applied to transfer section to Mr. W. J. Cox. 30th June, 1904: Board resolved to exempt Mr. Brown from residence to date and approve transfer to Mr. Cox, provided Mr. Cox will reside in a *bonâ fide* manner.

PRÉCIS OF MR. F. H. SCHORMANN'S CASE.

There can be no complaint against the Land Board for revaluing the section, as it is required by law to do so in every case where land has been surrendered or forfeited.

Précis of Correspondence and Action.—Section 3, Block IX., Taranua, 500 acres; originally selected, P. G. Clark, 28th December, 1893: Original valuation—245 acres at £1 2s. 6d., £275 12s. 6d.; 40 acres at 17s. 6d., £35; 178 acres at 15s., £133 10s.; 37 acres at 12s. 6d., £23 2s. 6d.: total, £467 5s. Average price, about 18s. 8d. per acre, which includes 2s. 6d. per acre loading for roads. Section forfeited, 30th September, 1897. Revalued by Rangers McKay and Kavanagh at £1 per acre (improvements, £60), 4th August, 1898. Reoffered at £1 plus 2s. 6d. loading for roads. Total capital value, £562 10s.; improvements, £60. Reselected by F. H. Schorman, 18th April, 1899. Selector has not made any complaint to Land Board re the valuation placed on this section.

PRÉCIS OF MR. R. BROWN'S CASE.

This settler selected his land on the 1st January, 1895, but failed to reside for a period of nearly eight years, or four years after residence required by lease, although he stated to the Ranger in November, 1898, that he intended building and permanently residing on the section in the near future. In July, 1903, he built a five-roomed house, and resided with his wife and family.

Précis of Correspondence and Action.—Section 15, Block XV., Mangaone; R. Brown; residence due 1st January, 1899.—24th November, 1898: Ranger reports not residing, but selector would build and reside in the near future. 2nd March, 1899: Selector informed should be residing. 26th March, 1899: Selector asks for exemption as he lives so close (half a mile away). 13th March, 1899: Selector

informed exemption granted for the present (Land Board, 27th April, 1899). 29th July, 1902: Asked if yet residing on section. 15th September, 1902: Asked for reply to last letter. 27th September, 1902: Selector states not residing, and has been exempted by Land Board before; is not living on section. 27th November, 1902: Land Board cancelled above exemption, and resolved to ask Ranger for further report. 6th January, 1903: Ranger reported lessee intended to build coming winter; recommended exemption to 1st June, 1903. 29th January, 1903: Land Board granted until 30th April, 1903, to reside or transfer. 18th February, 1903: Selector states he has ordered material for house. 19th June, 1903: Lessee asked if he is yet residing. 23rd June, 1903: Ranger reports selector not residing, but building in course of erection; recommends no action at present owing to delay with carpenters. 4th July, 1903: Selector states he is now residing. 21st August, 1903: Ranger confirms selector's statement; residing with wife in five-roomed house.

PRÉCIS OF J. H. GEORGE'S CASE.

Selected in March, 1895, and in 1901 built a small whare valued at £10, but according to the Ranger's reports, failed to reside, and six months later selector wrote saying he could not reside continuously, and wished to surrender his interest. The Board, about five months later, and, after giving him time to reconsider the matter, forfeited his interests in accordance with his wishes. The section was re-offered, weighted with value of improvements in February, 1903—was not selected. Improvements revalued and reduced 10 per cent., and in June, 1904, was reoffered, the section again failed to find a selector. Improvements have been recently again reduced by 10 per cent., and steps are now being taken to reoffer it for selection.

Précis of Correspondence and Action.—Section 28, Pongaroa Village Settlement; J. H. George; residence due, 28th March, 1899.—12th September, 1899: Asked whether residing. 24th September, 1899: Says cannot get neighbours to fence; as soon as roads passable will build and reside. 26th October, 1899: Proposal *re* residence accepted by Board. 3rd March, 1900: Ranger reported roads passable, but selector not residing. 18th April, 1900: Selector asked what steps he is taking. 3rd May, 1900: He has been waiting for sawmill; which will soon be working, will then commence building. 31st May, 1900: Land Board granted exemption till 31st December, 1900. 13th February, 1901: Selector now wishes to build on town section, half-mile away, and wants twelve months' exemption on village homestead section, which he only requires for paddocking. 28th February, 1901: Land Board resolved must comply or forfeit. 26th March, 1901: Selector states has decided to build and reside. 27th March, 1901: Ranger reports not residing; settlers in locality are commenting. 4th April, 1901: Asked to fix a definite date. 15th May, 1901: Says he is going to build and reside at once. 12th June, 1901: Told his assurance was accepted. 5th July, 1901: States he has built, but cannot always reside. 17th August, 1901: Ranger reports selector built whare, but not residing; settlers complaining of this. 9th September, 1901: Selector asked what steps he is prepared to take. 11th October, 1901: Selector says he took up permanent residence 24th May, 1901, and complains *re* neighbours not fencing. 23rd October, 1901: Asked for explanation and proposals for Land Board. 6th January, 1902: States he resides occasionally, but imputes personal animus to Ranger. 30th January, 1902: Land Board resolved to consider matter at next meeting, when selector can attend. 17th February, 1902: Selector says cannot reside continuously, and wishes to surrender. 27th February, 1902: Land Board granted three months to comply, or interest will be forfeited. 2nd June, 1902: Ranger says residential condition not fulfilled. 13th June, 1902: Selector asked to show cause. 21st July, 1902: Selector says neighbours failed to fence, and cattle stray on to section; he is bush-felling at Alfredton, and will proceed with house when he returns. 31st July, 1902: Interest forfeited by Land Board. 6th October, 1902: Land Board decided to reoffer section at £2 per acre, weighted with £81 17s. 6d. for improvements; section offered 24th February, 1903, but not reselected. 24th August, 1903: Ranger recommends valuation of improvements be reduced 10 per cent., and section again offered. 29th October, 1903: Land Board decided reduce value of improvements to £73 13s. 9d. as recommended; section offered 8th June, 1904, but not selected. 14th March, 1905: Ranger recommends valuation for improvements be reduced to £65 19s. 3d. 31st March, 1905: Land Board resolved section be reoffered again, weighted with £65 19s. 3d. for improvements. 13th June, 1905: Date of sale not yet fixed; steps now being taken to have section again gazetted for sale.

PRÉCIS OF OLE PETERSEN'S CASE.

This selector, after residing for seven and a half years, left the section (by the Ranger's reports) and resided on another man's section a mile away, with whom he was milking on shares. Another man and family, who were employed by an adjoining freeholder, were residing in Petersen's house, the freeholder paying the rent to Petersen. Although Petersen continuously asserted that he was residing, and that the Ranger's reports were incorrect, he at the same time in his letter declined to make a statutory declaration in support of his statements, which would have ended the difficulty. Eventually the required period of ten years' residence expired without his returning to the land.

Précis of Correspondence and Action.—Section 21, Block XV., Mangaone, Pioneer Freehold Block; area, 100 acres; selector, Ole Petersen; selected, 1st January, 1905; residence due, 1st January, 1899; value of improvements required for sixth year, £130; how far complied with—(a) not residing; (b) improvements effected, £381.—20th December, 1902: Ranger reported selector not residing now; was residing up to July, 1902. 20th January, 1903: Asked for explanation. 10th February, 1903: Replies his family resides on John Judd's place, and are milking there; he (selector) works on his section, and is there nearly all the time, trying to make it fit for dairying. 26th February, 1903: Land Board granted three months to take up permanent residence in a habitable house. 24th July, 1903: Selector was asked whether he was residing. 10th August, 1903: Selector repeats reasons referred to in memo. of 10th February, 1903; he now "works on the section most of his time." 27th August,

1903 : Land Board resolved to obtain a further report from the Crown Lands Ranger. 24th August, 1903 : Ranger reports and recommends that selector be called on to comply. 1st October, 1903 : Land Board confirmed. 3rd October, 1903 : Selector asked to show cause why his interest should not be forfeited for non-compliance with conditions. 12th October, 1903 : Selector stated he is residing and has done so for the past twelve years ; if necessary, his family will reside, but as section (being unfit for dairying) is insufficient to keep them it will necessitate hardships. 29th October, 1903 : Land Board resolved if selector can satisfy the Board that he is residing on the section in a *bona fide* manner it will be sufficient, but his residence must be permanent and continuous. 6th November, 1903 : Selector notified. 4th January, 1904 : Selector was asked whether he is now residing. 10th March, 1904 : Asked for an immediate reply. 26th March, 1904 : States he has already answered the question in his letter of 12th October, 1903 ; and asks whether term of residence has not expired. 14th April, 1904 : Selector was asked to make a sworn declaration. 9th May, 1904 : Selector was asked for an immediate reply. 10th May, 1904 : Selector explains that he cannot make the declaration ; wants an answer to his query *re* expiration of the term of residence. (The lease is dated 1st January, 1895, but selector has, according to the Ranger's report, been residing from January, 1895, up to July, 1902.) 13th June, 1904 : Selector was asked to explain. 24th June, 1904 : Selector explains why he did not make the declaration asked for, and says he will lay matter before Minister if his statement is not accepted by the Board. 15th July, 1904 : Position explained to selector. 23rd September, 1904 : No reply. 22nd November, 1904 : No reply. 14th December, 1904 : Land Board resolved it is now too late to take any further action.

PRÉCIS OF MR. WIGGINS'S CASE.

Selected in March, 1894. Selector, being a business man resident in Wellington and unable to reside, asked in April, 1903, some nine years after selection, that the Board should take over and dispose of his section to some one who would pay him a reasonable amount for his improvements. The Board accordingly forfeited his interest in April, 1903, reoffered the section for sale under the optional clauses under Part III. of "The Land Act, 1892." After lying open for some considerable time without any application, Mr. Wiggins purchased the section for cash in July, 1904.

Précis of Correspondence and Action.—W. Wiggins ; Section 6, Block IX., Tararua ; selected, 1st March, 1894 ; residence due, 1st March, 1898. (See also L.P. 65.)—24th May, 1899 : Ranger reported not residing. 30th June, 1899 : Asked to explain. 21st July, 1899 : Says he originally intended to reside, but cannot now do so on account of his business ; asks for extension of time. 28th September, 1899 : Land Board granted exemption for the present. 4th May, 1900 : Selector asked whether he is residing yet. 11th May, 1900 : Ranger reports selector not residing ; man in charge residing with his family. 22nd May, 1900 : Selector says, owing to bad burns, has been unable to clear sufficient space to build with safety ; hopes to build after next burn. 31st May, 1900 : Land Board resolved to accept his statement, and trusts there will be no further trouble in the matter. 27th June, 1901 : Selector asked if residing yet. 2nd July, 1901 : Selector says negotiating for transfer. 4th July, 1901 : Particulars and forms for transfers forwarded to selector. 6th February, 1902 : Selector asked whether he has completed arrangements for transferring. 7th February, 1902 : Selector says agreements for transfer not completed ; two or three persons negotiating for it. 27th February, 1902. Land Board gave three months' time to do so. 27th May, 1902 : Selector explains that he cannot find a purchaser owing to the large amount spent on improvements (about £3,000), but one of his sons, now at school, will be ready to reside on the land in about twelve months' time ; asks time till then. 24th June, 1902 ; Land Board asked him to show cause. 22nd July, 1902 : Selector says he is sending up an intending purchaser to view the land, and asks for further time to sell his interests. 31st July, 1902 : Land Board resolved to grant three months' time to transfer or reside. 20th November, 1902 : Asked what steps he has taken. 1st December, 1902 : States the land was put up at auction, but there was no bid ; wants further time, as he is willing to sell out at £400 less than what it cost him. 8th January, 1903 : Land Board gave a further period of three months to transfer. 14th January 1903 : Selector notified. 21st April, 1903 : Selector states that he has not yet found a purchaser ; would be glad if Board would dispose of it to a person who would pay him a reasonable amount for his improvements ; asks to be allowed to remain in possession longer. 1st May, 1903 : Land Board resolved to declare his interest forfeited. 21st July, 1904 : Mr. Wiggins purchased section for cash.

PRÉCIS OF MR. M. HADDIMAN'S CASE.

Selected in January, 1895, but after holding it over seven years, or three years after residence was required by his lease, he had failed to reside, and was also over 50 per cent. short of required improvements. As a sample of the improvements, the hut built on the land was valued by the Ranger at only £2. When pressed for residence, he asked for twelve months' further extension of time to reside, until such time as his neighbours could join him in erecting boundary-fences. The Board declined to do this, and as he failed to reply to further communications from the Board his interest was forfeited on the 8th January, 1903, and formal notice of same sent to him at once. He did not appeal within the prescribed time, but about the end of April he asked the Board to rescind forfeiture, as he had found some one to whom he could transfer. As possession had been resumed and the forfeiture registered in the Land Transfer Office, the Board was unable to comply.

Précis of Correspondence and Action.—Mr. Haddiman ; Section 22, Block V., Mount Cerberus, (Pahiatua No. 1) ; area, 200 acres ; date of selection, 1st January, 1905 ; date residence due, 1st January, 1899.—21st July, 1899, and 10th February, 1902 : Ranger reported non-compliance with residence conditions. 30th August, 1899 : Selector asked to explain. 22nd September, 1899 : Selector says he resides six months and goes out working other six ; will reside when neighbours fell boundary-lines. 26th October, 1899 : Land Board accepts, and advised selector of resolution. 1st May, 1902 : Com-

missioner asked selector to explain non-compliance. 12th May, 1902: Selector explained. 29th May, 1902: Board granted three months' exemption. 15th September, 1902: Selector asked if he has resumed residence. 13th September, 1902: Selector asks for twelve months' exemption. 27th November, 1902: Board called on him to show cause. 28th November, 1902: Selector advised. 8th January, 1903: No reply, and Board resolved to forfeit. 12th January, 1903: Haddiman notified. 22nd April, 1903: Haddiman applied for section to be given back to him. 1st May, 1903: Board refused, as forfeiture completed.

PRÉCIS OF WILLIAM NATION'S CASE.

This is a case in which a settler failed to reside for nearly nine years after selection, or in other words five years after residence was required by his lease, and although he afterwards commenced residence, he subsequently demurred to continue because the Land Board would not give him a right of road through his neighbour's property, which it had no power to grant. Besides, the Ranger reported that this selector already had sufficient access through his own frontage, and he actually later on made a good dray-road to his house.

Précis of Correspondence and Action.—W. Nation; Section 37, Block XI., XV., Mangaone; transferred to W. Nation, 8th November, 1898 (signed undertaking, 27th June, 1898); area, 200 acres; selected, 8th February, 1894; improvements for sixth year done.—31st January, 1901: Land Board granted exemption from residence for present. 23rd May, 1902: Asked when he will reside. 24th June, 1902: Land Board resolved he should reside forthwith or forfeit. 28th July, 1902: Selector asked for time to reside. 31st July, 1902: Land Board gave him three months to reside, transfer, or forfeit. 4th October, 1902: Selector says he cannot make use of land as a dairy-farm unless he gets cart-road through Section 38. 14th October, 1902: Ranger asked to report. 8th January, 1903: As Ranger reported selector was residing, Land Board resolved no further action necessary. 29th January, 1903: Refers to promise that matter would be laid before Land Board; has been waiting for an outlet; cannot make a living with sheep, and unless access is given cannot go in for dairying; has got cows, but will have to sell again; has been offered billet looking after a sheep-farm, and unless he can get access and supply dairy, will not stop on the section; has been forced to reside, but cannot remain without access; wants letter placed before Board. 26th February, 1903: Land Board resolved it cannot provide a private road through another man's property. 7th March, 1903: Selector advised, and asked what he intends to do *re* residence. 21st May, 1903: Asked for an immediate reply. 18th May, 1903: Selector states that he does not want a private road; wants a right of road through a neighbour's section. 5th June, 1903: Selector was advised of the position, and that Ranger has reported he could obtain access within his own frontage. 18th November, 1903: Ranger asked to verify. 21st May, 1904: Ranger stated selector residing from 16th October, 1902, to April, 1904, but was not now residing. 26th May, 1904: Selector asked to explain non-residence. No further action since.

117. *Mr. Johnston.*] Have you many three-years-pastoral-run leases?—No, we have had only one case, which was an application, and not granted, because it was in the meantime taken up by another man. The applicant was Mr. Bell, of Marlborough.

118. It was taken up by Mr. Bell's nephew?—No.

119. It does not matter what one holds, he can take up another run for three years if it is unoccupied?—Yes.

120. What happens at the end of three years?—It will be offered for public competition again; the lessee getting nothing for his improvements. Since the run was taken up by the lessee, Mr. Campion, of Feilding, has applied for the lease of some 2,000 acres of Crown land adjoining, and I presume he will want to come under that clause.

121. What is the area of the improved-farm-settlement sections?—200 acres is the limit fixed by the Act.

122. What area is there under that system?—There are 181 selectors, holding 18,717 acres.

123. Where are these holdings?—Scattered about everywhere.

124. Was not a large portion of that land totara-bush land which was felled and grassed in the vicinity of the North Island Main Trunk Railway?—Yes, about Taihape and Mangaweka. I think most of them are a success. In Taranaki also, I know a great many are a success. The Government felled the bush and grassed the land, and gave advances of money towards building houses. To a single man they advanced £10, and to a married man up to £30, and where a house was valued at over £40, the settler was required to insure it. They are a good class of tenants. It is the favourite tenure if we had the land, but we have no land suitable for it now. Good land that is fit for dairying is required. If you refer to Parliamentary Paper C.—8, page 11, you will find a full report by me on this system.

125. What are the terms of the leases issued in regard to flax lands?—They are merely for the cutting-rights. The Board fixes the royalty to be charged according to the accessibility of the flax and other circumstances.

126. Do these leases give the right to graze?—No, they are for cutting the flax only.

127. Have the Boards the right to issue grazing leases in respect to these flax lands?—Yes, if they like to let the grazing, the Board have the independent right to do so.

128. What about swamp land with flax on it?—The right to cut flax can be issued in regard to areas up to 2,000 acres, but we have no swamp Crown lands with flax of that area. There is some at Rake-tapauma, but the right to cut has not been let yet.

129. Have you read Mr. Humphries's ideas in regard to the ballot?—Yes.

130. What do you think of it?—As you will see in my review of the system in the Land Conference Report I think it is rather complicated. It is an excellent idea, but I think the fewer the restrictions and the fewer the difficulties in the methods of conducting the ballots the better. That is my only objection to it.

131. Where are the lands let under the Bush and Swamp Lands Act?—Principally in the Kaitieke Block, in the Upper Wanganui district, south of Taumarunui.

132. What is the class of that land?—Ordinary forest land, fair to good. It is fairly accessible now by the railway. The exemption from rates and rents for four years is a very great advantage, and a lot of land has been taken up on account of these privileges. They can take up to 640 acres of first-class or 2,000 acres of second-class land under this Act.

133. Does that not come very hard on the Raetihi settlers who are under lease in perpetuity and who went on to the land in what was then a far more remote district?—That is a matter of legislation. We have nothing to do with that. But I may say, as a matter of fact, that it is mostly Raetihi and Taihape men who have gone up there. The capital value of the land runs from 15s. to £1 per acre. I do not think there is any over £1 per acre. They are compelled to do the ordinary improvements according to the tenure under which they hold the land, and they are barred from transferring for five years unless they pay up the rent as from the beginning.

134. Have you ever forfeited any deposits under the ballot?—Never. Our Board would let a man stand out if he was not satisfied with his section. They never force a man to take a section he does not want. Of course, under the strict letter of the law the deposit is liable to forfeiture.

135. In regard to the associations which were formed to take up land at the back of Apiti and Hunterville, did you charge them all 2s. 6d. for survey fees?—I think the Minister exempted a large number of them.

136. Is that not a very heavy charge?—It will not pay the cost of the survey. I may say this all happened before my time, and I am not familiar with the position of this matter in the Wellington District. I had the same thing in Taranaki, and large areas were taken up by business men in the towns, who never intended to go on the land so far as we could see. Lots of them came from Palmerston and Terrace End. The great fault of these blocks was that they were surveyed into too small areas, necessitating a great amount of roading and a large expenditure of Government money.

137. Do you think the examination under the Land for Settlements Act should be extended to cover the other tenures?—I do, and I mentioned that in my report to-day.

138. Instead of the examination by the Board, would it be satisfactory if the Board got a certificate sworn to before a Justice of the Peace and certified to by the manager of a bank?—I do not know that it would. At all events it would not be equal to an examination by the Board.

139. Do you not think that would be a better guarantee of an applicant's financial position than anything else you could get?—So far as that aspect goes it would be all right. We ask them when they come before us to produce their bank-books.

140. We had evidence that in a good many cases the money goes into the bank just before the ballot so that it can be shown to the Board, and that then it is taken out again?—I think Mr. Humphries told me about that. A similar case occurred here at an examination. I asked the man how it came about that this money had been paid in that very day. He said that the money had been owing to him for some little time and that it had just been paid in. I asked if it had been paid in for the express purpose of supporting his application, and he said it had not.

141. Do you not think if you got a certificate from a bank-manager to the effect that the applicant was a fit and proper person to go on the land, and if you also saw him and asked him a few questions, that it would be quite sufficient?—If an applicant came forward with such a certificate, of course it would be a wonderful help to me; but we want to examine him personally, in addition, as to his experience, &c.

142. You say a month's notice is posted in regard to reselling a section: is that always adhered to strictly?—Yes; it is advertised in the *Gazette* for a month and in the local paper of the district once or twice. We only advertise it in the local paper once or twice because of the expense.

143. The expense is nothing so long as the people know about the land and you get applications for it?—It is advertised in the *Gazette* for a month.

144. And who gets the *Gazette*?—It is obtainable in all the institutes, courts, and post-offices.

145. Are you sure that every notice you send round is put up in the post-offices?—They are supposed to be, and in the railway-stations as well. We have a special board for these notices at these places. A plan of every section is always furnished, and it is posted at the principal railway-stations and post-offices, and we send it out to a lot of people as well.

146. Do you think it is a good thing giving this 10 per cent. rebate?—These percentages were fixed before my time, and I did not consider it advisable to alter them. I have no objection to them at all.

147. Do you think it is right that you and the Receiver of Revenue should have the responsibility of deciding this matter?—I should be very glad to be rid of it. I do not think it is fair to put it on us.

148. Why do the perpetual-lease and deferred-payment settlers get 5 per cent.?—That I cannot tell you. I found them here and I did not alter them.

149. Is the survey fee not altered now?—No; they are as I read them to you.

150. You say there are £13,900 of "thirds" outstanding?—They are still in the hands of the Receiver of Land Revenue, and no proposal has yet been received for their expenditure. If the local bodies say they cannot get them it is not correct. They are there waiting for the local bodies to make proposals for their expenditure.

151. Do you continue these chain reserves up the rivers now?—In regard to ordinary Crown lands, Yes; but not in regard to land-for-settlements land.

152. Do you not think they ought to be made under the Land for Settlements Act?—Except for the cost I think they should. When the Government buy land for £20 per acre they cannot afford to make them.

153. Could they not issue grazing rights over them?—No; because the control of these reserves would go under local bodies.

154. You say you sell sites for dairy factories and churches and suchlike things?—Yes; under the Land for Settlements Act.

155. Suppose when one of these towns is started the dairy factory collapses and that it is bought in by a private firm, would they have the freehold of that site given to them?—I have discussed that matter with the Land Board, and I think when such a case occurs the thing should lapse. I think there should be a condition in the deed that if the scheme is not carried through the title should lapse.

156. In regard to the classification of lands, you know the Manawatu and you know the Oroua lands: would you class them as first-class lands?—Certainly. I may say that the classification of land to cover the agriculturist's point of view of first-class land and the Crown Lands Department's point of view represents two different things. What I read of the classification in the Land Act is that it is not used in a productive sense, but is purely and simply comparative, and for the purpose of the Land Act only.

157. Was the land round Eltham sold as first-class land?—Yes; and it is very valuable to-day.

158. Was that sold with a limit of 640 acres?—That is so; but, as a matter of fact, the areas ranged from 50 to 200 acres.

159. Why should a man be allowed to get 640 acres of that land when a settler who takes up bush land twenty or thirty miles beyond Stratford is only allowed 640 acres of the hills?—That is not first-class land from a productive point of view, and the limitation is a stationary one.

160. It is all over £1 per acre?—Yes; but second-class land may be valued over £1 per acre.

161. Do you not think your Department should arrive at some absolute classification of land?—I think it is impossible to classify it down as fine as you want it.

162. Were the School Commissioners' lands leased originally at a peppercorn rental on the condition that the bush was felled and fences erected?—Not to my knowledge. That was all before my time.

163. The Wanganui Harbour Board leases were a success, were they not?—I think fairly so in regard to its rural lands.

164. Do you not think the County Councils and Road Boards should be protected to a certain extent so far as collecting rates is concerned?—No; as I have already told you to-day the Land Boards have no power to deal with the question of collecting rates. Furthermore, the Board have expressed themselves against anything of the kind. They say they will not do that work for the local bodies, unless where a section is absolutely forfeited for the non-payment of rates.

165. What is this North Island Main Trunk Railway Account?—It is provided by statute that the revenue derived from certain Crown lands within fifteen miles on either side of the centre of the railway-line must be credited to the North Island Main Trunk Railway Account. These funds are practically for the construction of the railway.

166. The entire revenue?—Yes; in so far as regards revenue received from lands purchased out of "The North Island Main Trunk Railway Loan Application Act, 1886," and Amendment, 1889, less, of course, the "thirds" and "fourths."

167. What has led to the throwing-up of the sections that have been thrown up?—Various reasons. Because they have failed to go and reside on them; sometimes because of want of road-access, and sometimes because the man has not been *bonâ fide*.

168. Does the genuine settler ever forfeit as a rule?—I think not. Of course, a man's circumstances may alter very much after he has taken up the section, and he may be forced to forfeit thereby. But, as a rule, the Board helps him as far as possible.

169. You say several transfers at a large profit have taken place?—Yes.

170. Do you pass them if there are large profits?—Yes; we do not consider we have anything to do with the question of profits. This matter has been thrashed out several times by the Land Board, and the Board have decided they have no right to interfere so far as the tenant's bargain is concerned. The Board say they have no right to interfere no matter what his profit may be.

171. Could you furnish us with a return showing the particulars of some of these transfers that have taken place during the past three months?—Yes; how many cases would you like?

172. Say about thirty?—Very well.

173. What form do you use for demanding rent?—It is a printed form.

174. Is it an arbitrary form?—There are different forms. They were much more arbitrary at one time.

175. There was an exception up north to the using of the form?—I do not think ours are very arbitrary; I can supply a copy.

176. Are the estates taken under the Land for Settlements Act a success?—Yes, all a success.

177. Do you allow joint occupation?—Yes, as tenants in common.

178. You heard the evidence at Waipukurau: do you not think occupation by tenants in common is a mistake?—No, I do not think so. You and your brother may be wanting to go into a section, and I do not see why you should not—the residence of one is sufficient for both of you.

179. Do you not think it leads to dummyism?—I do not know that it does. It would be very hard lines to debar mates from going in together. In genuine cases I do not think there is anything wrong. I think it is fair that two partners should go in.

180. You heard one man up there say that he was receiving wages?—That was a clear case of dummyism; I am perfectly satisfied of that.

181. *Mr. Anstey.*] You say that you give a rebate on deferred payment of 5 per cent.?—Yes.

182. Is that in your own discretion?—It is in the discretion of myself and the Receiver of Land Revenue.

183. With regard to the rebates on deferred payments, these are paid on the instalments?—Yes.

184. In that case your rebate is not a rebate on the rent at all, it is a rebate on the capital value ?
—No, it is a rebate on the rent.

185. It is a rebate on the rent and capital value both ?—Rebates on the instalments of interest.

186. These men are paying rent every year, and on these instalments you make rebates ?—Yes.
It would be a rebate of the rent or interest they are paying after capitalisation.

187. You do not make a rebate on their half-yearly payments ?—Yes.

188. Then the half-yearly payments are not only interest but capital as well ?—Yes, but rebate is allowed on the interest portion only.

189. It is a rebate on the capital value then ?—The capitalised value is ascertained over a limited period, and, therefore, while that is so, I think it is quite a fair rebate to give them.

190. Are you sure that is within the meaning of the Act—that is a rebate on the capital value, not a rebate on the rent ?—Those were all fixed before I came here, and are rebates on instalments of interest only.

191. That is a rebate on the capital value, and the Act says it is to be a rebate on the rent ?—The point has not been raised before.

192. With regard to the rebates generally, you say you think you ought to be relieved of the responsibility of making them ?—I should certainly like to be relieved of the responsibility of making them.

193. All the revenue from the Main Trunk Railway goes to the railway ?—Yes.

194. Does that include the “ thirds ” and fourths ” ?—No.

195. With regard to the Bush and Swamp Lands Act, do you think there should be no remission of rents for a period of five years ?—It is according to the fixing of the Legislature, and is no doubt intended to encourage people to go back and settle.

196. If these people pay no rates then there are not rates to spend on the roads. Would it not be much better for them to pay rates and expend the money on roads ?—That would be more advantageous. It would certainly enable them to get access much quicker.

197. Do you think it would be better to classify land on its productive value ?—How is it to be arrived at ?

198. The present classification is not quite fair ?—It is almost impossible to classify it down to the point to which Mr. Johnston wants it, and we have no such land as the rich Manawatu country on our hands to dispose of.

199. In the case of educational reserves, you are now only giving partial value for improvements ; would it not be best to give full value ?—I do not see why they should not have full value. I do not see why the clause was introduced excluding bushfelling and grassing—they are good improvements. At all events, at the end of the first lease I think it should be given. After that they would drop out.

200. You do not pay for the improvements ?—The incoming tenant pays that.

201. With regard to the University Reserve, do you know the terms of their lease ?—Twenty-one years' lease, but it can be extended to thirty years in bush lands.

202. Does it carry valuation for improvements ?—I think so.

203. With right of renewal ?—I am not positive ; I think it is valuation for improvements with right of renewal.

204. Has any complaint ever reached you with regard to the administration of a reserve situated a long way from the city—from an absentee point of view ?—No complaints that I know of.

205. There is the Wellington City Council reserve at Pahiatua ?—Yes.

206. They are absentee landlords ?—Yes.

207. Do you think it is wise that a body which is out of touch and away from the land should administer the land ? Is it not fair that the land should be administered by a body in sympathy with the tenants, say the local body ?—Being a School Commissioner I should not like to express an opinion with regard to that.

208. Say municipal reserves ?—The Land Board does administer until they are vested.

209. Would it not be better for the Land Boards always to administer them ?—At all events, if the Land Boards did administer them, they would have their officers to go and see them when going round on their other duties.

210. It is not so much a question of the officers but the body that administers them is an absentee, and they give the tenants no redress ?—With the Land Boards they would have redress.

211. Have you ever received any complaints about reserved timber areas from people complaining that they should not be thrown open ?—I cannot say that we have had any complaints, but we have frequent applications to get parts of them. Our Board is very anxious to conserve those on the mountains for the sake of climatic and water-supply purposes, and they are very loth indeed to grant any of these applications for portions of these reserved lands.

212. Do you think it is wise that these immense areas of reserves should be set aside and become breeding-grounds for noxious weeds, deer, boars, and opossums ?—I think it is certainly wise that they should be set aside, but not as breeding-grounds for dangerous animals ; the ordinary steps should be taken to keep all pests down.

213. They are actually importing them and turning them adrift ?—I should not agree to that in regard to animals that would be a nuisance to settlers.

214. With regard to these timber areas, a man has a right over 800 acres, but he has to clear 200 acres first, do you think it is wise that the land should be cut up immediately a small portion of it is cut out ?—It is 800 acres, but a man can only cut 200 acres at a time, and he must have a certificate from the Ranger that he has cut out that 200 acres before he can go on with the next. I do not see any reason why it should lie idle once the sawmiller has dealt with it. I do not see there is any occasion for him to wait till the 800 acres is cut out.

215. Mr. Johnston asked whether the bankers should be allowed to examine the tenants?—I should prefer the Land Board.

216. Do you think the bankers would be suitable people to examine witnesses?—Mr. Johnston said the country bankers. They are mostly intimately acquainted with farming. They know a man's position, and know every bushel of wheat he grows, and they know what stock and implements he has on his place.

217. *Mr. Matheson.*] Do you understand the rebate of 10 per cent. to be for prompt payment?—Yes.

218. Do you think if it applies to one tenant it should apply to all?—The Legislature has made certain exemptions. I would not like to express an opinion upon that matter. The law so states it, and we administer it accordingly.

219. If you read the law, that is a rebate for prompt payment, are you not compelled to give it to all who pay promptly?—The law exempts certain classes.

220. Who are exempted?—Ordinary small grazing-runs and pastoral tenants.

221. Take it with regard to lease in perpetuity—it is not given to all lease-in-perpetuity holders who pay promptly?—Yes, for prompt payment, and occupation with right of purchase also.

222. You are speaking of the Wellington Province?—Yes; and in regard to Taranaki, in my time the position there was this, that it was left by Act to the discretion of the Receiver of Land Revenue and myself. It is a much simpler plan here. There we took each case on its merits, and we took into consideration the amount of rent a man was paying, access, and distance from the market, and decided whether he should have it or not, and the amount.

223. If it is for prompt payment can a discretionary power come in and alter it?—Yes, the Act says so.

224. Where a man has excellent access and an excellent bargain: if it is for prompt payment, how can you refuse it?—That is the view we took of the Act.

225. *Mr. McLennan.*] Are you in favour of giving each Land Board a discretionary power with regard to cropping on the lease in perpetuity?—Yes.

226. In your own opinion, would it be wise to give them a free hand in managing their own farm after they reside on the land for ten years, and have improvements to the value of 33 per cent. on the capital value of the land?—No, I do not think it would—with a good farmer that would be all right.

227. Can you say that because a Ranger goes round and looks at the farm he can make a bad farmer a good farmer?—No, certainly he could not; but he might report to the Land Board whether the land was being farmed profitably or otherwise.

228. It is difficult for a Ranger to understand the various kinds of land a man may have?—The farmer gets the best knowledge of it. The Rangers are supposed to be men with a good knowledge, not only of land, but of their duties, values of improvements and fences, &c. I would certainly recommend a man who had been a farmer and who has done farming with his own hands, and done the work himself—that is the man I would prefer.

229. In your opinion, do you think ten years sufficient time for a man to learn farming, although he may not have had experience previously?—He should know something in ten years if he has any gumption.

230. In your opinion, if he does not know enough in ten years, would it be better to get some one else in his place?—I think he ought to know in that time.

231. There must be some limit. After a man has been ten years on his farm, the Ranger knows during that time whether he is farming it properly or not: do you not think it reasonable after ten years to give a man a free hand to manage his farm, providing he has put the necessary improvements on it?—He ought to be, but the difficulty is that he may transfer it to a man who is incompetent. There is no doubt it is a very difficult question.

232. Then you would not be prepared to give a farmer a free hand after ten years' residence?—No, I do not think I would.

233. *Mr. McCutchan.*] With reference to the Crown Lands Ranger's inspection of lands, under the Act of 1892, does the inspection cease when the improvements required by law are made and the residence conditions are fulfilled?—Yes, the tenant is practically free after that.

234. Selectors under the occupation-with-right-of-purchase tenure under the Act of 1892, when they have fulfilled the conditions for three years have the right to take up another section even if it does not adjoin their present holding?—Yes.

235. Have the lease-in-perpetuity holders the same privilege?—Yes, after three years' compliance with the conditions.

236. Do you think it would be as well that all roads should become county roads as soon as the Government expenditure ceases?—Well, that might be a long time, because the Government often gives grants for many years after the settlement has taken place. It might be better if the local bodies went in for loans, and were subsidised by the Government on the rates they levied for those loans.

237. As to the four years' exemption from rent: is the amount deducted spread over the subsequent years' rents?—No, there is no increase of rental. It is practically a gift of four years' rent.

238. With reference to the rebate-of-rent matter, the rebate is solely for the purpose of encouraging prompt payment of rent?—Yes.

239. If that is so why should there be any differentiation between one tenant and another in the amount of rebate?—As I have said, we take the view that the man who has had greater difficulties to contend with in the back blocks should have more rebate than the man who is within a mile of a metalled road.

240. So that it is not really a discount in the strict sense of the term?—No.

241. You are aware that the trades and labour organizations of the colony base their claim for revaluation chiefly on the ground that this rebate interferes with the existing contracts—morally, at

any rate?—Why should it be a breach of the contract? A landlord may say, “Your rent is so-and-so, give me the rent and I will hand you back £10 or £20.” That is not a breach of contract, neither would it be in this case.

242. Is it your opinion that the rents were too high and that the tenants were not able to pay the rental placed upon the land by the Government—I am alluding principally to the land settled under the Act of 1892?—As a general rule I think not. There are cases where the rent has probably been high, but, taking them all through, they are higher in Wellington than in your district, Mr. McCutchan.

243. There is no real necessity for this rebate of rent?—No special necessity in the case of the genuine settlers, I think. It has certainly been a great advantage to the selectors all the same, and it will be appreciated.

244. They will not appreciate it very much if the trades and labour organizations insist on re-valuation on that ground?—I know that you have refused it yourself, but it does not follow that other settlers should do the same. It is given freely by the State, and I do not see why you or they should not accept it.

245. If the State enters into a contract with the tenants, and no variation can be made in that contract without special legislation, does it not follow that this is at any rate a moral infringement of the contract?—No, I do not think so; it is simply a free gift to you of so-much.

246. With reference to the £14,000 of accumulated “thirds”: has this largely been through roads vested in the local bodies?—Yes; but until last year it was over £20,000. The local bodies naturally do not wish to spend the “thirds” on any road until satisfied that Government expenditure has ceased, and, as you know, large grants continue to be made for these works long after settlement has taken place. It was only by the Boards passing strong resolutions that the Government took the matter up, and they now require the local bodies within special periods to do the work, and, if it is not done within a certain time will be done by the Roads Department.

247. With reference to rebate on deferred-payment land: is that confined to rebate where the unpaid instalments have been capitalised, and the holder is simply paying interest on capitalised value, or is it a rebate on the principal?—I do not think it is a rebate on the principal.

248. Have all the rents under the deferred-payment system been capitalised?—The bulk of them have been. We have practically only two left in this district now.

249. In the case of deferred payments there is an increase of 25 per cent. on the capital value: I suppose it is on account of that that the rebate is given to the tenants?—No; it is simply because they were not asked to pay prompt cash. They were given time within which to pay.

250. With regard to small grazing-runs taken up under the Act of 1892: has the State the right to resume those runs for closer settlement at the termination of the first term?—No; they must give the option to re-lease at the end of twenty-one years, so that this can go on longer than 999 years. These runs are usually in remote places, without proper road access.

251. Would it be wise that the State should have the power of resumption?—I think, in regard to the new runs, that the State should have power to resume, but there should be no breach of a bargain already made.

252. You spoke of the disqualification of successful applicants at a ballot for twelve months: that does not apply to anywhere outside the land district in which a tenant was successful, does it?—I think it should.

253. But does it?—I cannot say that it does.

254. Do the Land Board examine a man buying in from a present tenant?—No, but they require him to make a statutory declaration that he does not hold over the limit allowed by law. He has to make that declaration before he can become a transferee from any one else.

255. You do not inquire into his financial position at all?—They do not question in any way the right of the original tenant to sell for as much as he can get.

256. Does it not strike you as peculiar that the Land Board examine the original tenant, but do not examine the man who comes in under different conditions and in the face of greater difficulties, because he has to pay something for goodwill as well as his rent?—There is no examination by the Land Board under the Land Act, but under the Land for Settlements Act there is.

257. The sums paid for goodwill in the case of transfers under the Land for Settlements Act are, generally speaking, more than they are under the Land Act of 1902?—Yes, they are more valuable properties.

258. Does it not strike you as a mistake that you should not examine the incoming tenant?—I do not think it is a mistake, though there might be no harm in doing it; and the Act does not require it.

259. *Mr. Paul.*] There is no rebate on small grazing-runs let under the ordinary Land Act, but there is under the Land for Settlements Act: is there any reason for the distinction?—I do not know. Under the ordinary Land Act the lands are poor and far away, and unimproved, whereas, under the Land for Settlements Act, the lands are all more or less improved.

260. The rent on a small grazing-run is based on a capital value of 5 per cent.: what is the basis on which the rents are fixed under the Land Act?—It must not be less than $2\frac{1}{2}$ per cent. of the price fixed, but it may be up to 5 per cent. or more.

261. Well, the tenant gets an apparent advantage under the Land Act of 1892?—Yes, but of course it is unimproved land, far back, and rough.

262. You think it may work out fairly equitably?—Yes, I think so.

263. Regarding workmen's homes: in your experience as Commissioner, have they been a success?—A decided success, I think. The only thing is, that on the Hutt flats land-values have gone up so high that from 1 acre to 3 or 4 acres is too much for a small settler to hold. He cannot make his living off it, although the land around him for subdivision purposes is probably £300 or £400 an acre. The rates put on by the local bodies are killing the small settler. If he held $\frac{1}{4}$ acre or $\frac{1}{8}$ acre, he would thrive fine.

264. You think that has been the trouble at Epuni?—Yes.

264A. Have you had experience in any other land district than this with workmen's homes?—No.

265. Can you express an opinion as to whether it would be advisable to extend the system in the cities?—I think it would.

266. But certainly with smaller areas?—Yes.

267. It appears very clear that a man working at his ordinary every-day business has very little time to cultivate above $\frac{1}{4}$ acre?—Yes; in fact, I think $\frac{1}{8}$ acre would be quite enough for him.

268. *Mr. Johnston.*] Has there been much dummyism here in your experience?—Not in my time. There have been cases where we have suspected it, but we have not been able to prove it.

269. Did your Board ever object to transfers?—Yes.

270. For what reason?—That the man was not eligible, &c. That was almost the only reason.

271. When did the agitation for the freehold commence?—Only within the last fifteen months. I do not think we noticed it before that.

272. Have you ever reduced any rents in this district in your time?—No, except in the case of forfeiture; when the Crown resumes possession the land is revalued.

273. *Mr. Anstey.*] Do you think it would be safe for the Government to give workmen rather more assistance in the shape of building their homes, instead of quite so much in the shape of land: would it be safe for the Government to advance £100 against the tenants' £50 for building purposes?—I do not think so, because, if the settlement proved a failure, where would the Government come in?

274. Do you think it would be safe for the Government to go higher than they are going now?—Yes, I think a little higher.

275. *Mr. McCutchan.*] When a section is sold under the Land Act of 1892 the Land Board take no notice of the consideration that is transferred from one man to another?—No.

276. You think there is no necessity to inquire into the consideration?—I think not. Our Board have discussed the matter many times, and they take the view that a man has the right to what he can make off it.

277. Is not the Crown's position safeguarded by the improvements?—Yes.

278. Suppose the Board vetoed a transfer: could the tenant force the Board to allow it?—Possibly, if he went to the Supreme Court.

279. It is fairly clearly laid down that a tenant has the right to transfer if he has fulfilled the conditions?—Yes.

280. If vexatious restrictions were set up in addition to those already existing, it would tend to make the tenure unpopular?—No doubt it would, but the Board are very careful not to make the restrictions vexatious.

281. Do you think residence conditions should be imposed upon a man who buys a section for cash?—I can see no reason why they should not be. There is already a condition with regard to improvements.

282. Do you think it would be an improvement to amend the law in that direction?—I think, if the cash man were placed on the same footing as the occupation-with-right-of-purchase or lease-in-perpetuity man, it would be doing no harm, and it would be only fair.

283. *Mr. Paul.*] Returning to the question of workmen's homes: would you fix a maximum amount that could be advanced to any one man?—I think it would be necessary to do that, so that they should not be induced to build palaces. I should say the amount spent on a house should not be more than £250 or £300, because the real workman would not require more than that. And, as to the proportion of the advance, I think perhaps £75 might be advanced against their £50. With regard to a question asked me on the subject of restrictions on married women, I think perhaps my answer was not very clear. I said, I think, that so long as they are recognised as eligible applicants, I did not see why they should be restricted. I did not mean you to infer from that that I thought a man and his wife should be allowed to select 4,000 acres between them. What I meant to imply was, that a married woman who wished to take up land entirely on her own account should not be restricted more than, say, her unmarried sister. From my report in Parliamentary Paper C.—8, page 10, it will be seen that I am not favourable to married women who are living with their husbands, or to single women, being allowed to become selectors of Crown lands.

WELLINGTON, TUESDAY, 27TH JUNE, 1905.

GEORGE FREDERICK COLIN CAMPBELL examined.

1. *The Chairman.*] You are Valuer-General, I think?—I am.

2. How long have you occupied that position?—I have been in charge of the Valuation Department since August of last year.

3. And you were Deputy Valuer-General and Deputy Commissioner of Taxes for a long time before that?—I was Deputy Valuer-General, Deputy Commissioner of Taxes, and Deputy Superintendent of Advances to Settlers for several years previous to that.

4. Well, we have asked you to come here in connection with one of the items of our reference; about the value of leaseholds now and their value at the date of lease. I understand you have been preparing a statement as to that?—Yes, I have a copy of it here. I have also furnished a copy to you through the Lands Department. I think that is in your possession now.

5. It has not come to me yet?—I furnished it on the 14th instant. And I had an intimation from the Under-Secretary for Lands to say he had forwarded it to you along with other information he was supplying.

6. It has not reached me yet?—I can give you a copy now. [Copy of return put in.]

7. You might explain this return to the Commissioners?—This, gentlemen, is a return of Crown leaseholds of the colony, and it includes Cheviot, but does not include lands which are let for timber and mineral purposes, or pastoral runs or occupation licenses. The reason why that class of leasehold is not included is that these lands are not permanently leased for settlement purposes. The return includes leases in perpetuity, small grazing-runs, perpetual leases, and occupation-with-right-of-purchase holdings. The return is as follows:—

TABLE I.—CROWN LEASEHOLDS OF THE COLONY inclusive of Cheviot, but not including Lands leased for Timber and Mineral Purposes, or Pastoral Runs or Occupation Licenses.

Tenure.	Upset Price as fixed by Lands Department.	Amount which Tenants would have to find in order to acquire Freehold at Present Values as fixed by Valuation Department.*
Lease in perpetuity—		
Land for Settlements.. .. .	£2,630,573	£2,796,821
Ordinary and village-homestead settlements, &c. improved-farm	1,466,321	1,844,324
Small grazing-runs—		
Land for Settlements.. .. .	124,712	131,054
Ordinary	1,448,723	1,640,193
Perpetual lease	117,601	117,601†
Occupation with right of purchase	848,045	848,045†
Totals	£6,635,975	£7,378,038

* In this column lessees' improvements are omitted. † Lessees' interest in the unimproved value omitted.

The figures in regard to present values do not include the lessee's improvements, as you will observe.

8. *Mr. Johnston.*] Are the present values assessed on the increment given by railways, roads, harbour facilities, and so on?—The increased value is due to the general prosperity of the colony.

9. It seems a small increase compared with other returns that we have got?—The reason of this is that when the Crown buys a property, it generally buys at a full price. In addition to the price which the Crown pays for the property, it has to load it up with the roading, expenses of survey, and any costs attachable to purchase. It is then let at a figure which represents the full market price plus expenses. The consequence is that my Department's values at date of disposal are not equal to the values at which the Crown lets these lands.

10. You mean capital values as they appear on your books for rateable purposes?—Yes.

11. You say it takes two or three years to reach the Government selling-value. Therefore, this upset price which you have given us is not the Government's selling-value?—It is the Lands Department's selling-value, but not the Valuation Department's value. The Valuation Department's value at the time at which the land is let would be something below the £2,630,573 for the reasons stated.

12. Then they take it on the prairie-value?—They value it on the actual cost to the State under the Land for Settlements Act.

13. *The Chairman.*] What is the date of the valuation?—The latest date I can give it; it is up to date, practically.

14. If you were giving your actual valuation of those estates when the State bought them, and compared it with the £2,796,821, the difference would be very much larger?—Yes. The return gives the Lands Department's upset price in one column, which was a high price, and the Valuation Department's value in the other column.

15. *Mr. Johnston.*] Your values are lower than the selling-values?—In some cases. You have to remember that a great proportion is tenants' improvements, which are not included. Under the sub-heading "Ordinary leases in perpetuity," the upset price was £1,466,321; in the second column we have £1,844,324; in that case the increase refers solely to unimproved values, for the reason that in the upset price there were no improvements included, and in the amounts which the tenants would have to pay now to acquire the freehold of course there are no improvements included. This is purely the increase of unimproved values. The object of the table is to show what the tenants would have to pay the Crown if they had the right to purchase their leases at the present date; and in making such a return it is necessary to leave out the tenants' own improvements, because they would not have to purchase these. I have made a separate table for the Cheviot Estate under the same headings as I have just given. There were no land-for-settlements holdings in the Cheviot Estate. The values of the Department were made over two years ago; they are now being revised.

TABLE 2.—CHEVIOT ESTATE.

Tenure.	Upset Price as fixed by Lands Department.	Amount which Tenants would have to find in order to acquire Freehold at Present Values as fixed by Valuation Department in 1903.*
Lease in perpetuity, ordinary and village homestead, &c.	£154,626	£175,646
Small grazing-runs, ordinary	132,431	134,663
Totals	£287,057	£310,309

* Lessees' improvements are omitted in this column.

The third table, which I also submit, is almost a repetition of the first one, so that I do not know that it is necessary to go into details. There are only two items that are different—perpetual lease and occupation with right of purchase—and I put the return in here in case the Commission would like to see the increased value shown under these two tenures.

TABLE 3.—CROWN LEASEHOLDS OF THE COLONY, including Cheviot, but omitting Land leased for Timber and Mineral Purposes, or Pastoral Runs or Occupation Licenses.

Tenure.	Upset Price fixed by the Lands Department.	Present Value apart from Lessee's own Improvements as fixed by the Valuation Department.
Lease in Perpetuity—		
Land for Settlements	£2,630,573	£2,796,821
Ordinary and village-homestead settlements, &c.	1,466,321	1,844,324
Small grazing-runs—		
Land for Settlements	124,712	£131,054
Ordinary	1,448,723	1,640,193
Perpetual lease	117,601	153,093
Occupation with right of purchase	848,045	1,043,095
Totals	£6,635,975	£7,608,580

The small grazing-runs under the Land for Settlements Act show an increase from £124,712 to £131,054. That will not appear a very large increase, but it has to be remembered that the land is mostly poor. Another point with regard to these small grazing-runs is that as they are indifferent land they are let at a low rental, and that tends to keep down the value. If you capitalise the rental the value is very small. I am not saying that it is the rule to capitalise rental, but still a small rental tends to keep down value in rough country.

16. Under ordinary Crown lands there is a much larger increase, from £1,448,723 to £1,640,193, an increase of £200,000, but I do not think the percentage is any more than in the other case?—We have got to bear in mind that this is purely an increase in the land. It does not include improvements. When we come to the perpetual lease the circumstances are changed. In the perpetual lease and also occupation with right of purchase, shown in Table 1, the tenant has already the right of purchase, and the consequence is that in this return the figures in both columns are the same. The tenants having the right to purchase at the original upset price necessitates the same figures being put in the second column as in the first.

17. As a matter of fact the value of the land may be greater?—It is. In the third table the difference is given showing the increase in the land without the tenants' improvements.

18. *Mr. Anstey.*] The increase which you show on the Land for Settlements small grazing-runs is only about 7 per cent. on the original value?—Yes.

19. Can you account for that comparatively small increase when we know and have had evidence from end to end of the colony that there is a vastly greater increase than that in the selling-value of these lands over and above a very liberal allowance for goodwill?—The answer to that is that either the value is low or else they are selling high. The figures given here do not prove the one or the other. In some cases they will sell above upset prices and in other cases they will sell below; my figures show the net increase.

20. There is a much larger percentage of increase on the Crown lands than on the land-for-settlements land?—Land-for-settlements lands are, as a rule, improved lands highly cultivated, and are let out at a very much higher upset rental than the ordinary lease in perpetuity, which are unimproved. There has been less increase in the value of lands under the Land for Settlements Act, because there has been less time for that increase to take place, and for the reasons, as I have stated, that the lands were highly improved and let at a high rate.

21. Can you account then for the difference that, according to our evidence from one end of the colony to the other, the goodwills being paid for land-for-settlements lands are immensely greater than the goodwill being paid on the Crown lands?—That may be true of individual cases; but not, I think, in all. As I have already said, land-for-settlements lands are let at a higher upset price than we value them at, so that when you compare the upset price with the present values of our Department there is not much difference. Ordinary lease in perpetuity, however, were let at a lower upset value a longer time ago, and have consequently had a greater time in which to increase. I could best explain it by giving one instance of each.

22. *Mr. Johnston.*] The ordinary lease in perpetuity have increased 25 per cent. as against 6 per cent. in the other. Although you have made an explanation about it to Mr. Anstey it does not seem to be borne out?—It appears to me to be clear enough. We are comparing upset values fixed by the Lands Department with the present valuation fixed by the Valuation Department. The upset values fixed by the Lands Department in the case of the land-for-settlements lands are high because the Crown has to pay high for the lands taken under that Act and have to load that value with the cost of survey, roading, and other expenses, so that when launched on the market the price is considerably higher than the value of the Valuation Department. It is different in the case of ordinary lease in perpetuity where unimproved land has been taken up many years back at reasonable values. The tenures do not stand comparison.

23. It does not justify a difference of 19 per cent.?—I think it will. You take the Land for Settlements lands throughout the colony and there are few of them where there is really very much increase in the unimproved value over the upset price yet. In the more recent purchases we cannot assess

unimproved values much beyond the upset price as we must be guided by sales of freehold in the district.

24. In ordinary small grazing-runs and small grazing-runs under the Land for Settlements Act there is an increase of 5 per cent. as against 14 per cent. ?—The same thing runs through the land-for-settlements holdings—the increase is small in proportion to the ordinary.

25. Can you give us any indication as to the real values ?—We value at the selling-value, and all our values should be selling-values at the time they are made. Unfortunately we cannot get owners and lessees to look at it in that light altogether.

26. We want to get at the selling-values : can you give us the average ?—I can give the capital value if that is desired. We get as near the selling-values as we can.

27. We heard of a man down south who had a small grazing-run selling out at a considerable increase—something like a couple of thousand pounds over and above his improvements, and he owned up to it ; and there was a man in Starborough who owned up to selling out at a considerable increase ?—All I can say in answer to that is this : if you go into an Assessment Court you will not get a lessee to admit that there is any goodwill apart from his improvements. The difficulty is to get an admission from the taxpayer that there is any unearned increment.

28. Is it understood that you do not revalue land held under the Land for Settlements Act ?—Yes, we do.

29. How often ?—It depends very much upon the necessity of the districts. In some districts we revalue more frequently than in other districts. There are parts of the colony where land does not change so rapidly in value as it does in other parts, and consequently our revaluations are less frequent.

30. How long is it since you revalued Waikakahi ?—I cannot tell you from memory. I think a year or two.

31. Has it been revalued within the last eight years ?—Yes.

32. Have the tenants been assessed on such valuation ?—Yes.

33. Have all the land-for-settlements lands taken up within the last two years been revalued ?—No, not all of them.

34. What is the longest date ?—Under the Government Valuation of Land Act there is no limit.

35. Is there such a thing as a difference of five or six years ?—There could be ; but I cannot call to mind such a case at present.

36. There is no understanding that they are not to be increased ?—None whatever.

37. *Mr. Hall.*] In the case of estates purchased under the Land for Settlements Act, in addition to the cost to the Government, there is an amount put down for survey ?—Yes.

38. Is it loaded for roading ?—I believe it is.

39. Are all incidental charges considered in making up the cost of the estate ?—Yes ; I believe that is the practice.

40. The Valuation Department assume that they take the cash value—that is, not a fancy value, but what the land would likely bring if put in the market ?—Yes ; according to ordinary terms and conditions of sale, not necessarily cash.

41. *Mr. Matheson.*] Supposing you were valuing a land-for-settlements estate at the time it was opened up, would the unimproved value be arrived at by deducting the existing improvements ?—Not necessarily. The unimproved value in a district may be arrived at by assessing the land first of all and adding the improvements. If the valuer makes that his practice he has to be certain that the unimproved value plus the improvements must equal the fair selling-value. The valuer may take the capital value first and then value the improvements and deduct them, leaving the unimproved value ; but the general practice amongst valuers is to ascertain the unimproved value first.

42. Where the improvements are invisible—or some of them are invisible—is the valuer supposed to take them into account ?—Most certainly, if they come within the Act.

43. Does the Department consider that the erection of a dairy factory by a number of settlers which increases the value of their property : do they consider that improvement or an unimproved value ?—If the valuer were valuing the land on which the factory stood it would be valued as an improvement ; but if he were valuing a property some distance away he could not value as an improvement what did not exist on the land.

44. But the construction of a dairy factory causes an increased value to be put on property in the neighbourhood ?—Yes ; and so does the construction of railways or public works. I would like to read the following explanatory memo. on the question as to what should be included in improvements. As there has been a good deal of controversy on that point I have endeavoured to supply valuers with full information as to the requirements of the Act :—

Improvements.

The Act defines “ Improvements ” and “ Value of improvements ” as follows :—

“ ‘ Improvements ’ on land means all work actually done or material used thereon by the expenditure of capital or labour by any owner or occupier of the land, nevertheless in so far only as the effect of such work or material used is to increase the value of the land, and the benefit thereof is unexhausted at the time of valuation, but shall not include work done or material used on or for the benefit of land by the Crown or by any statutory public body, unless such work has been paid for by the contribution of the owner or occupier for that purpose : Provided that the payment of rates or taxes shall not be deemed to be a contribution within the meaning of this definition.”

“ ‘ Value of improvements ’ means the sum by which the improvements upon an owner’s land increases its value : Provided that the value of improvements shall in no case be deemed to be more than the cost of such improvements estimated at the time of valuation, exclusive of the cost of repairs and maintenance.”

Subject to the limitations contained in the above definition, all buildings, fences, planting, draining, private roads and water-races, clearing, permanent grassing, and other work of a permanent nature effected upon land are improvements. It has been frequently urged that the Department should fix a standard value for each class of improvement for the guidance of valuers so as to insure uniformity of value. Beyond issuing instructions that improvements are to be valued at their full market value no restrictions have ever been placed by the Department upon District Valuers in this matter. It would be impossible to fix a maximum or a minimum value for any class of improvement which would be general in application, as the value differs in different parts of the colony and must also vary according to the condition of the improvements and their degree of usefulness at the date of valuation. Great diversity of opinion moreover exists amongst owners themselves regarding the value of their improvements. This would make it difficult to fix a standard which would give general satisfaction. Take, for instance, the question of clearing. Some owners who have spent money liberally on improvements have been known to claim from £3 to £5 per acre for clearing rich open fern country, while others have complained that an allowance of £2 per acre for clearing and surface-sowing heavy-bush land was very excessive.

The valuer must be guided, when valuing details of improvements, by the terms of the above definitions, and it is necessary, therefore, that the limitations referred to should be considered in detail. Anything which can be valued as an improvement must, in the first place, be effected *upon* the land which is benefited by that improvement. A public road may have the effect of increasing the value of the land in the vicinity. The road would not be valued as an improvement, as it is not on the land and is not included in the area which is valued. Were the road a private one, however, such as a farmer would make through his farm for the convenient working of his holding, it would be included in the total area valued, and would then also be valued as an improvement. Improvements can only be valued *to the extent to which they increase the selling-value of the land*. This fact should not be forgotten: the valuer must therefore value an improvement at the proportionate sum which it represents in the selling-value of the whole property. We sometimes find a large house built on a small area of farming land. The ordinary farmer who would purchase such a property would not be likely to pay for the house anything approaching its cost—he would only pay the price of a house which suits the requirements of the farm. The selling-value of the house must therefore be valued at what the ordinary purchaser would be likely to give for it, or, in other words, at the sum by which it increases the selling-value of the property. Sometimes an owner will expend his capital and labour injudiciously, and the result will prove detrimental to the land instead of being an improvement. Some lands hold grass better without being first ploughed than they do after the plough. The effect of ploughing in such cases would not be to improve the selling-value. Some improvements, such as ornamental shrubbery, orchards, lawns, vineries, &c., rarely increase the selling-value to the full extent of their cost, and should therefore, be valued accordingly.

The definition also tells us that no work can be considered an improvement if the benefit is exhausted at the time of valuation. The Government lends money on the security of improvements, and it is obvious that if exhausted improvements were included in the valuation the security would be a very poor one. English grass may take well and improve by time on some farms, in which case it would be valued at full value. It may, however, on other lands, become choked with noxious weeds, or native grass may take its place, in which case it becomes more or less exhausted, and must be valued accordingly. Gorse, if allowed to spread, may exhaust the grassing, and in some parts of the colony fern will act similarly if not kept under. Bush clearing will become more or less exhausted if the under-scrub is allowed to grow up.

In many parts of the colony the land has been cleared for so many years that it is impossible at the present day to say with certainty by what process it was cleared. With regard to land which is known to have been in bush very many years ago, but upon which there is no vestige of its former condition now apparent, it becomes a question for the valuer to determine as to whether the land would not sell at the present day at a higher price with the timber on it than it would without the timber. Stumping and logging-up are sometimes carried out by the owner at a considerable outlay of capital or labour, in which case full value is allowed; in other cases, little or no labour or capital is employed, the stumps and logs becoming decayed by ordinary process of time.

Clearing of open country is often accomplished by burning and by stock running on the land, in which case comparatively little labour or capital may have been expended.

Noxious weeds, if allowed to spread, not only exhaust improvements, but they depreciate the unimproved value as well.

Draining and orchards are improvements which frequently become exhausted. As long as a drain is effective and acts as a drain it necessarily adds to the selling-value and is an improvement: but an open drain which was cut many years ago and has become filled in and grassed over, owing to the necessity for it having passed away, would be considered as exhausted.

Any improvement which has become exhausted and has been renewed, such as is frequently the case with grassing, is valued at the amount by which the then state of the improvement increases the selling-value—not at the accumulated values of the repeated renewals. It would be manifestly improper to lend money on grassing which had been ploughed in.

From the foregoing it will be seen that it devolves upon a valuer to ascertain carefully the *condition* of an improvement before estimating its value. It also devolves upon the owner to afford the valuer all the information in his power, so as to insure a fair and accurate value being placed on his improvements.

Work done by the Crown or a public body is not, the Act says, to be considered an improvement unless it is paid for by the individual, but expenditure by way of rates and taxes is not to be deemed to be payment for the work.

The expenditure of loan-moneys by the Crown or by public bodies is for the benefit of the community or district, and not for the exclusive benefit of any individual or holding.

It would be beyond the powers of any valuer to apportion the value of a public street, railway, telegraph-line, or, in fact, any public work amongst the different holdings which derived benefit from that work.

It has been argued that public works done by small communities, and for which those communities agree to rate themselves, should be valued as an improvement. This, however, is a question which could not in fairness admit of differential treatment. The principle which enables a small community to borrow money for making a water-race on the understanding that it rates itself for the purpose, is the same as that which enables a larger community to borrow money for making a harbour, water-supply, or drainage system on a similar understanding. The only difference is one of degree; the principle is the same in each case.

There is, however, another phase of this question which is of importance. The existence of heavy rates in a district will affect selling-values there. A property outside the boundary will sell, other things being equal, more readily than a property inside such a district. The assessed value will consequently be correspondingly lower where rates are usually heavy, and relief will thus be obtained in the ordinary process of valuation. The question of liability to excessive rates is one which all valuers have to take into consideration when valuing.

The amount at which improvements are to be valued is defined by the Act as the sum by which they increase the selling-value of the land, *provided that the value must not exceed the cost*, although it may be below the cost if their condition warrants it. The cost of an improvement is not necessarily its selling-value, as its suitability and condition must be taken into consideration.

It is the actual improvement which is valued, not the effect of that improvement. For instance, supposing that the expenditure of a small sum in cutting an outlet for water has converted a swamp into first-class agricultural land. The fact that the swamp was capable of easy drainage would enhance its unimproved value, and the cost only of cutting the drain would be valued as the improvement.

Machinery, whether fixed to the soil or not, is not an improvement, and it is not included in the capital value. The buildings containing the machinery would, however, be valued as an improvement.

The foregoing describes briefly the limitations imposed by the Act upon the valuer with regard to the valuation of improvements. Were it not for such limitations it would be quite possible—especially in the case of many of the older holdings where money has been spent injudiciously, and where improvements have been renewed again and again—for the valuer to find that in the aggregate the work done by way of improvement exceeded in value the total selling-price of the property.

45. Are the rateable values of small grazing-runs fixed by law on the capitalised value of the rent ?
—Yes.

46. Are small grazing-runs for rateable purposes valued in exactly the same way as other properties ?—No; the rateable value is the rent capitalised at 6 per cent.

47. *Mr. McLennan.*] In the event of an amendment of the Land for Settlements Act to enable the Crown tenants to purchase the freehold of their sections at your valuations, in your opinion would it be of great advantage to them ?—I should say, in some instances, it would be a good thing for them, judging by the present prices of produce and the present condition of the land-market.

48. In your opinion, according to the present prices of land they would make money by purchasing at your valuation ?—In some instances, but not in all.

49. You cannot say in all instances ?—No.

50. *Mr. Paul.*] You told Mr. Anstey that if he asked the question why the increase under the Land for Settlements Act was so small you could answer it ?—Yes; the answer is: that in the case of the Land for Settlements Act the Government pays more money for the land than what we have it valued at. The consequence is that when you compare the upset values with the Land Valuation Department's present values the difference appears small. If I were asked to give you the Land Valuation Department's values at the time the upset prices were fixed, and the present values of the Land Valuation Department, the difference would appear very much greater. You see there are two Departments dealing with the matter. The Land for Settlements Department pays a higher price than I could value land at. They then load up the value with the cost of surveys and roading, &c., and let the land at these values to the tenants. Therefore, when the tenants take up the land they are taking it up at a price above my roll value. I have had to start from a lower basis than that of the Land for Settlements values.

51. Let us take a concrete case of an estate purchased by the Government: in the first place you value that estate for taxing purposes at a certain price, and the Government may buy that estate at an increase of £20,000 or £50,000 on that price: have you to wait till your value really rises to that figure ?—When I next make a valuation of the district then I should put up the value probably to the Government price, and in the course of a few years or more, I might make another valuation, and then the value might go beyond the Government price.

52. You know as a general rule that the valuation for taxing purposes is much lower than the price paid by the Government in purchasing an estate ?—It is.

53. Therefore, seeing that your valuation is so much lower does it not also follow that your valuation is very much lower now ?—In some cases it may be lower now, and in other cases it may be fairly accurate. I can tell you at once that the increase in selling-values in this colony has been so great of late years that it is almost impossible for me to establish the true selling-value in Assessment Courts.

54. Then your values as embodied in that table must be understated ?—Some of them probably are under.

55. You say that in some cases your valuation of an estate before it is purchased by the Government is about the fair selling-value, and in other cases it is undervalued: could you give an instance

where the Government have been able to buy an estate at your value or at a price reasonably close to that value?—I could. I cannot recollect the name of all the estates at present. There was Borton's Maerewhenua Estate for one. and Smith's Greenfield Estate for another.

56. Is it fair to assume that in the majority of cases the Government buy at a price much above your valuation?—I will say, in the majority of cases they buy at a price above our valuation. In the case of the compulsory taking of an estate, the Government pays more than what we value the estate at, partly because it has to compensate the owner for loss of interest, for loss on the sale of his stock, for disturbance, and for sentiment, &c. That is how it is that in the case of the compulsory taking of land the Crown has invariably had to pay so much more than the Valuer-General's estimate.

57. You value an estate to-day as an estate, and it is bought by the Government at the increased value you mention, and it is subdivided: that value does not exist to-morrow to each and every one of these tenants according to the area they hold?—That is a question that only a person who has a knowledge of the land and the surrounding circumstances can answer. It might or it might not. The land might go up very rapidly in value.

58. Does it not seem very clear that if the Government are compelled to pay a fictitious value to the owner of an estate to compensate him for disturbance and sentiment, and the other things you have mentioned, that that value cannot exist when the land is leased to the small holders?—That is so.

59. Does that fact not seriously undermine your values as presented to-day?—I do not think so.

60. Perhaps not from your point of view, but from the point of view of the value of the figures in that return?—I will answer your question in this way: If it is a question as to the fairness or accuracy of the values which I have given in my return, I can only prove to you as to whether the values are right or wrong by taking individual properties. That is the only way your question can be answered. Taking the return as a whole, some of the properties may be valued fairly, and some, for all I know, may be valued above and some below the real value.

61. On some of the estates it is a fact that every section could be sold to advantage—I mean for a sum over and above the value of the improvements to pay for the goodwill: now, do you think there are any estates where there is not one section which could be sold to advantage?—I have not sufficient knowledge of the actual estates themselves to answer that question without reference to the roll.

62. I suppose you cannot say what the Flaxbourne Estate was valued at for taxation purposes?—At £160,000. I would like to say that it must be remembered that the land-tax is charged on the unimproved value, and if the capital value was £160,000 only, still the unimproved value may have been correct. I differ from those who state that because the Government buy an estate at a capital value over and above the Department's value the owner has necessarily escaped taxation. He may have escaped, but he may be assessed fairly on his unimproved value and yet his capital value may be low, because an insufficient sum may have been allowed for improvements, and because the Department's value cannot include anything for losses and disturbance, &c.

63. But you also assess the capital value?—But he does not pay the land-tax on the capital value. As a matter of fact, in many districts the owners will not pay a great deal of attention to the assessment of their capital value so long as their unimproved value is right.

64. In the case of an estate worth £150,000 unimproved value and £200,000 capital value, and the Government eventually pay £300,000 for it, would it not be reasonably fair to assume that it has been undertaxed?—That would be an extreme case, I am only saying it does not necessarily follow in all cases.

65. *Mr. Hall.*] Perhaps you have no knowledge of the Matamata Estate, but I think the discrepancy there between the taxing-value and the purchasing-value was not very much?—I cannot call to mind the exact figures, but I believe that was the case.

66. In valuing for the Taxing Department you would not follow the fluctuations of the land-market very closely: you would not be influenced by booms that happened to take place in the different districts of the colony, and which were restricted to those districts?—Our valuers are especially cautioned not to take boom prices as the standard prices of a district. They are instructed to take the ordinary selling-values as a guide.

67. *Mr. Johnston.*] Have you ever issued instructions to valuers to value according to schedule prices, such as, say, £1 for bushfelling, and 10s. for fencing, and so on?—I have been connected with the valuing of land since 1879, and as far as I know no such instructions have ever been officially issued. It has always been the practice of the Department as laid down by the original Commissioner of Taxes and continued by all his successors, including myself, not to issue any such schedule prices with regard to the valuing of improvements, as it has always been recognised that the expert must be the judge of the value. The expert is the valuer. I am not going to say that the matter has not been discussed by the valuers because I know it has, but there have never been any such schedule prices issued by the head of the Department.

68. The charge has been levied at your Department very often?—It has, I am sorry to say.

69. Are you aware whether noxious weeds have depreciated any of your values?—I am aware that noxious weeds have depreciated the unimproved value of properties.

70. Reverting to the Flaxbourne Estate and *Mr. Paul's* question, do you not think that when there are such numerous applications for the land at the prices put upon it by the Government, which include the cost of the surveying and roading, and so on, it is testimony as to the real selling-value?—I should say it is. When the Government buys a property in a district, it is, I think, recognised that the value of all property goes up in that vicinity. The prospect of an increased number of settlers necessarily increases the demand for land in that district.

71. Does it account for the margin between the capital value of the estate as taxed and the capital value of the estate now as leased?—I should say it would. When a property is cut up, even if you take the case of a small suburban property of a few acres, you could never value it as a whole property at the same price as you could after it is sectionised and roaded.

72. It is not roaded any more than it is now?—But the same influence will be at work; it is known that the Government is going to do it.

73. I simply want to get at this: Would you establish your capital value on the price paid for the land?—Not necessarily. If the prevailing price paid for land in a district runs up to that value, then the valuer when he comes round will put that down as his basis, but if one person gives a large price for a property, and other people do not give the same price, then the valuer is bound to take the general ruling price of the district.

74. Will you assess the settlers who are going on the Flaxbourne Estate now on the capital value on which they are paying rent?—That is a matter which will rest entirely with the valuer when he goes there; I would not interfere.

75. Has it been done in any other estate?—Yes; I believe it was done at Hatuma.

76. If that is the case, then you establish at once that the value on which these people are paying rent is the capital value, and that the difference between what they paid for it and what these people were paying on is really a loss to the Crown?—I scarcely think so. The valuer may not go to value that district again for a year or two after the Crown takes possession, and the prices of property may meanwhile have entirely changed. By the time the valuer gets round again to value that district, the price may not be a bit too high. It may be too low. You see the Department does not send its valuer round immediately after the Crown buys a property.

77. *Mr. Anstey.*] Do your valuers get that interpretation of the Act which you read to us?—Yes.

78. That is in the nature of an instruction: is that the only instruction they get?—No; I anticipated that the question as to instructions would be raised. I may say, in regard to valuation of improvements, that valuers have not been instructed as to the actual amounts which they are to put on improvements, but they have always been cautioned to be careful to make a fair value. On the 1st July, 1904, I find a circular was sent to all District Valuers asking them to be careful in assessing improvements.

79. What is the wording of that circular, as it is rather an important point?—Here are paragraphs from the circulars issued to valuers: “. . . . Increase of population, closer settlement, ready sale for produce, and the steady progress of works public and private are always adding to the unimproved value of the land, but it must not be forgotten that in bush country, clearing, stumping, logging-up, improved fencing, new buildings, &c., are not at a standstill, and owners, while not objecting to the capital value, are ever ready to prove that improvements are not sufficiently allowed for in the hope of reducing the unimproved value. . . . Every valuer must be in a position to show he has knowledge of all improvements and their value, and be able to prove to the satisfaction of the Court and the objectors that he has made full allowance for all existing improvements, and that his valuation is a fair one in terms of the Act. . . .”

80. That is an instruction in a way?—When I say that no instructions are given I mean that none have been issued to any valuer to indicate what price should be put on any particular improvements.

81. It might be taken to mean that the improvements are to be written down and the unimproved values written up?—I should rather take it the other way. In November, 1904, the Department wrote as follows to the valuers: “. . . . The unimproved value should be agreed upon with the owner first if possible, and the improvements next. Owners are demanding fuller value for improvements, and District Valuers have already been cautioned against valuing improvements below their fair market value. . . . I desire that the real selling-value be entered in the Capital Value column, and that the fair and full value of improvements be allowed in all cases.” We endeavour to make the values as fair as possible. I merely quote this to show that the Department allows owners everything in the shape of improvements which by law they are justly entitled to.

82. We had several complaints that valuations are made at intermittent periods. Is there any fixed period for taking values?—There is no fixed period between one revision of a district and another. Sometimes individual properties get valued more frequently than others, because an owner might apply for a loan, or the Stamp Office might want a valuation, in which case we should send our valuer to make a special valuation, but taking the districts as a whole, there is no fixed period under the present law for making revaluations. The reason is that under the old system it was found that when we made a valuation of the whole colony every three years, some districts required it and others did not. Some districts progressed rapidly, while others were stationary, and the consequence was that the Department was put to a lot of trouble and expense in valuing districts which did not require it. The present system is infinitely a better one, and we therefore value as the necessity arises.

83. Who fixes the date at which these valuations are to be taken?—The Governor in Council.

84. How does he get the information as to when particular districts require revaluing?—The information comes to me sometimes from the local bodies. The local body might say that a particular district wanted revising, in which case the valuer would be sent to confer with the County Clerk or Chairman. He would look at the roll and compare the selling-values with the roll values, and he would then report to the Head Office as to whether it was necessary to revise or not. If he said it was advisable to revise that district, it would be put down on the list, and an Order in Council would be issued by the Governor, saying that the district was to be revised at an early date.

85. Then, generally, the information comes from the local body?—I would not say, generally. Sometimes sales will show that roll values are out of date.

86. How would that be brought under your notice?—A copy of every transaction which is registered is supplied to me, so that my rolls will show the actual selling-price of the properties which have changed hands, and the inspecting valuer has only got to compare the roll values with the selling-values actually registered, to be able to tell at a glance whether or not the sale prices are in excess of the roll values.

87. What happens in a case like Flaxbourne. Your present valuation is about £2 16s. per acre, and we know that the Government have paid about £4 per acre for the portion they have acquired. Will you immediately revalue that portion?—The valuer will go into the district and look at the values of all the properties, and not only at that of Flaxbourne alone, and if the value is too low as a whole, he would recommend the district for revision.

88. Upon what basis will the Flaxbourne settlers pay taxation?—They would not pay any land-tax at all, because they would not have sufficient interest in the unimproved land yet. We shall divide up the land according to the present valuation for local rating.

89. The £2 16s. per acre which was your valuation, or the £4 which the Government paid for it?—The £2 16s. per acre, until we make the revaluation.

90. In the case of Flaxbourne, do you consider the difference I have quoted is sufficient to cause you to make a revaluation of the property now?—I would not answer that question right off, because it depends on the market values of all the properties in the country.

91. That might not be for a long time?—I do not think it is likely to go on very long, because attention is necessarily drawn to values in a district when sales take place like that.

92. We had complaint regarding a case at Pareora, where land was taken by the Government. The value of the lease-in-perpetuity sections remained at the price which the Government paid for the land, but on the freehold properties adjoining, the owners had to pay in some cases about 50 per cent. higher local rates than were paid on the lease-in-perpetuity lands. The explanation was, according to the witnesses, that instructions were given not to revalue the land taken by the Government, but to revalue all the freeholds in the county?—There must be something wrong there. That explanation cannot be correct. We never exempt any properties if a district has to be revised. Every property has to be done.

93. How is it that in valuing improvements on Crown lands that you value grassing as an improvement. Do you take into account the fact that perhaps grassed land has become overrun with weeds?—Yes.

94. Then your valuation in some cases would go below zero?—I do not think so. Supposing a man had a house on his land, and the blackberry was pretty bad, we would not allow the blackberry to go against the value of the house.

95. You still consider the house an improvement?—Yes. The blackberry would destroy the grassing if it spread over the section. Then there would be nothing allowed for grassing at all, and the blackberry would reduce the unimproved value.

96. Then a man who allowed his land to be overrun with weeds would pay less taxation than a man who kept his land clean?—No, that is a question of weeds only; the question of blackberry supplanting the grassing is a different matter, because, before the land is workable, it requires the expenditure of capital to clear it, whereas the keeping-down of weeds is done by the ordinary process of cultivation.

97. What is your opinion as to whether there could not be a better system of valuation than on the unimproved value or the capital value, say, on the productive value of the property?—I can best answer that question by reading an extract from a memorandum explanatory of the Act, as follows:—"It is also frequently argued that the Act should not make the selling-price the basis of valuation at all, but that all land should be valued on its producing-capacity. As a matter of fact, the producing-power of land must more or less regulate the selling-price. Indirectly, therefore, the producing-power is already a factor in determining the capital value under the present law. But the impossibility of adopting the producing-power as the sole basis of valuation is at once apparent when the subject is fully considered. For instance, how could a valuer estimate the producing-power of a piece of vacant town land which is not producing anything? It might be capable of producing a great deal in the hands of one man, and a very little in the hands of another. Much would depend upon the use it was put to. The good farmer would be valued higher than the bad farmer, although he might have no better farm. Intricate questions would arise as to what was the producing-power of a farm and as to how the income should be ascertained, and the duties of a valuer would largely resolve themselves into a question of accountancy. All owners would require to keep books to show what their land produced. The farm owned by a good farmer would pay higher rates than that of the bad farmer, and good farming would thus be discouraged. These and other objections present themselves to any system of valuation based solely on the assumed productive capacity of the land."

98. Do you think it would be possible to introduce a system such as you have mentioned in place of the existing one?—I do not. To establish the value of land in an Assessment Court, if you are going on the producing-capacity, the evidence must lean in the direction of what the owner can make off the land, and, when it comes to the question, the good farmer would be valued higher than his neighbour; you would, in short, be taxing the man's brains where he had proved himself a good farmer.

99. Can you give the value of the Pomahaka Estate at the time it was bought and its present value?—Yes. Present roll value, exclusive of lessees' improvements, £16,923; upset price, £23,830.

100. *Mr. Hall.*] Is it not of primary importance that the values should be regular and uniform all over the colony?—It is.

101. I refer to values for land-tax purposes?—Yes.

102. Then, for local purposes, as long as a district is valued uniformly and fairly, it is of little importance whether the valuation is a little higher or a little lower, because, if the local body requires to raise so much money for local purposes, it would make the rate accordingly?—Yes. The point you have raised is one I have endeavoured to explain to ratepayers, because, as long as the value is uniform, the question of rating rests with the local body.

103. *Mr. Johnston.*] Are your valuers the same persons as those for the Advances to Settlers Office?—They are.

104. *Mr. McCutchan.*] In the Gisborne district we had evidence that, for local-rating purposes, the value of grazing-runs was calculated in this way—the rent was capitalised at 6 per cent. to find the rateable value. Now, when these settlers want to raise money under the Loans to Local Bodies Act, if they form a rating-area, their rateable value is so extremely low that the Treasury Department is refusing the loan, and the settlers are asking for revision, so that they might value on the selling-interest of the land?—The rateable value is fixed by the Rating Act at the rent capitalised at 6 per cent.

105. Are all loan areas submitted for your opinion?—I am asked for the rateable value within a loan area.

106. And in the case of loan areas composed entirely of small grazing-runs, is the rateable value too low to admit of loans being made by the Treasury?—If the runs were let at a very low rental, I should say that there would be difficulty in obtaining a loan, as the rating-value would be low.

107. *The Chairman.*] Is there anything you wish to add?—I believe the Commission has been approached with regard to certain delays presumed to have taken place in the making of valuations, and I would like to make an explanation on that point. The District Valuers have a large area to travel over, and a large amount of work to do in that area. The applications for loans have to go through a considerable number of hands. The application requires to be mailed in the first place, and that may occupy a day or two. Then, it has to be scrutinised in the Lending Department, and that also may occupy a little time. The instruction to the valuer is then mailed. That, again, occupies time. The valuer then has to visit the property, and the report comes back in due course. It is scrutinised again and then submitted to the Board. It may have to wait a few days for the Board meeting. Instructions are then sent to the solicitor. The certificate has to be given by him that the title is in order, and that may occupy a few days. I merely mention these facts to indicate that it does not necessarily follow that the whole delay, when any delay takes place, is necessarily attributable to the District Valuer. I am sure they all do their best to meet the necessities of those requiring to take advantage of the loan system. Some securities are far away, and the valuers have long distances to travel, and in some instances over very bad roads. We have had cases where, in the winter-time, they have been completely knocked up after their journeys and have had to take a spell.

108. *Mr. Hall.*] Would it not be wise to make that statement public, so that applicants could send in their applications a considerable time prior to requiring the money?—I wish it were made known, and if the Lending Departments would make it public it would assist me very much.

109. *The Chairman.*] What is the average time involved in dealing with a loan?—I have known a person to apply for a loan one day and to get the money the next. I have known other cases where a loan has been delayed for some time, because the state of the roads was such that the valuer has been unable to get through, although he has made the attempt. There was a case at Upper Wangaehu recently, where the District Valuer was instructed to visit an applicant and report. He made the attempt, but had to turn back. There was a similar case in Gisborne. The valuer spent five days on the road, which was in a terrible state of mud, and eventually he succeeded in making the valuation. These are difficulties which the ordinary borrower does not recognise.

110. *Mr. Johnston.*] Supposing you have just made a valuation a few months ago—or a month—for taxation purposes, and a man applies for a loan, would not the Advances to Settlers Office accept that valuation, or must they have another valuation?—They would necessarily refer to the Valuation Department, and we should refer to the valuer, because we do not know what improvements may have been put on or taken off since the valuation. There are cases in which a valuer has stated, “I only valued this property a few weeks ago and know its condition”; in which case he would not visit unless again instructed.

111. Well, do you accept that?—Yes. There is one other matter I would like to mention. It has been stated to the Commission that valuers are in the habit of valuing improvements differently on the different tenures. I wish to contradict that. No difference is made with regard to valuations, whether lease in perpetuity or land for settlements; all leaseholds are valued according to the Act.

112. *Mr. McCutchan.*] In the case of a lease-in-perpetuity section and an occupation-with-right-of-purchase section side by side, where equal improvements have been made: seeing that the valuers are now instructed to value the goodwill as well as the improvements for the purpose of security, is there any difference in the value of the two sections?—There must be a difference, because the extent of the lease and rental has to be taken into consideration, so that no two can possibly be valued the same. If you ask me as to whether there is any difference in the principle of valuation, I say there is none.

113. Your valuers are instructed to value upon the selling-value: all things being equal, in the case of an occupation-with-right-of-purchase section and a lease-in-perpetuity section, which has the highest selling-value?—As to the question of security, that is a different matter altogether; but, if it is the question of the valuation of a lease, the principle applied to the occupation with right of purchase would be the same as that applied to the lease in perpetuity.

114. The question is this: we have heard it in evidence that a lease-in-perpetuity allotment has not the same selling-value as an occupation-with-right-of-purchase allotment, and all things being equal, can you state whether that is so or not?—Some leases in perpetuity will sell for more than others, and I do not think there is any decided rule you can go by. Supposing an occupation-with-right-of-purchase tenant pays a low rental, his unimproved interest will necessarily be high, and, supposing a lease-in-perpetuity tenant pays a high rental, then his interest will be low.

115. A statement has been made that there is no differentiation by the Department between the two securities, but the differentiation does not rest with the Department nor the valuer; it rests with public opinion, and, if public opinion fixes the selling-value of an occupation-with-right-of-purchase section at a higher price than a lease-in-perpetuity section, it follows that the differentiation comes from the

public, and the Department and the valuer have to obey it?—The valuer must value a leasehold according to the 1903 Act. It is a question of being guided by the law, not by public opinion.

116. Have you any evidence that the selling-value of an occupation-with-right-of-purchase section is any higher than a lease-in-perpetuity section—all things being equal?—Well, it is largely a question of sentiment, I should think there may be a difference.

117. I am asking you whether you have any evidence from the Department?—I can only answer that by saying that, where it is a question of valuing a lease, it is valued according to the rule laid down by the Government Valuation of Land Act of 1903, and, whether occupation with right of purchase or lease in perpetuity, the valuer has the Act to guide him, and he cannot make any distinction between the tenures.

118. *Mr. Hall.*] Are the tenants under lease in perpetuity liable for land-tax, provided that their interest in unimproved value exceeds the exemption of £500?—They would be liable if they are not mortgaged—the mortgage would come off land-value, but a leaseholder with sufficiently large interest in the unimproved value would be liable to land-tax.

GEORGE FRANCIS ROBINSON examined

119. *The Chairman.*] What are you?—District Road Engineer.

120. How long have you been in that position?—In this district or altogether?

121. Since you joined the Roads Department?—The Roads Department was instituted on the 1st April, 1891.

122. How long have you been in the service?—Thirty years and a half.

123. And part of that time you were serving in the Taranaki District, I think?—I was for twenty-six years in the Taranaki District and for the remaining four years and a half I have been engaged in the Wellington District.

124. We have asked you to come here knowing, as we do, that you have a very intimate knowledge of road-construction in both of these districts, and generally all over this coast, and we have had a great deal of information given us by settlers about this loading for roads. There seems to be a general impression abroad that the money has either not been altogether expended, or that, if expended, not wisely expended: in other words, not on such roads as it should be, and there is a great deal of dissatisfaction on that score. You represent the Wellington Road District?—Yes.

125. You might just inform the Commissioners of the boundaries of that district in a general way?—The Rangitikei River from the sea up past Mangaweka to a place called Aorangi; then straight across to the Hawke's Bay boundary; and thence it follows the Hawke's Bay boundary to the sea on the East Coast.

126. What proportion of the Wellington Province might this include?—I should think about two-fifths.

127. And within these boundaries are there a great many settlers?—Oh yes; I could not say how many.

128. Under your charge the money that has been put on for what they call "loading" and the Government votes and grants have all been expended?—No; under the officers who preceded me. I have only been here during the last four years and a half.

129. I mean that during the last four years and a half whatever was spent in that way was spent under your charge?—Yes.

130. Have you any statement showing the amounts of money expended under your direction?—Not under my direction altogether.

131. I mean for the last four years and a half?—No. Mr. Strauchon, the Commissioner, told me you would require to know what money had been spent on these settlements. That statement I have.

132. Compiled from the records?—Yes

133. You might just inform us about it?—There were twenty-eight settlements in this district. The first column of this tabulated statement shows the name of the settlement, the second column the loading, other columns the amounts of the Government appropriations and the total amount provided for pending. The sixth column states whether the roads were metalled or formed, and so on. I submit to the Commission a summary of the loans to open roads through settlements in the Wellington Road District, with additional amounts granted from roads and bridges appropriations as follows: On the twenty-eight settlements the loadings amounted to £66,562 13s. 4d. Government has supplemented this by £182,525 6s. 6d., and each year is voting additional sums where they are urgently needed. The above sums were spent on roads within the blocks, and on main roads running through the blocks, and are entirely apart from other Government expenditure on roads and bridges.

134. Between what times was this money expended?—From the time that the sections were taken up to the 31st March last.

135. That will extend over a considerable period?—Yes. Some of them are ten or twelve years old, or more. The total area covered by this is 260,820 acres—that is, the area of the twenty-eight settlements; and the length of roads that were made is 217 miles, formed and metalled as dray-roads; 162 miles were formed as dray-roads only, and 56 miles as 6 ft. bridle-roads only. That makes 218 miles.

136. So far as you have supervised the expenditure, have all the moneys loaded on to the blocks been expended?—Yes; the whole of these moneys stated here have been expended, and the whole of the additional money voted by Government has been expended.

137. You have compiled this statement from the records of the Department?—I have taken it from the Lands and Survey Department records and checked it from our own books. Some of these sums given by the Government have been during my time; the loadings were all expended before my time.

138. You cannot of your own personal knowledge say anything regarding the expenditure?—No.

139. The moneys that you are expending now are simply from the Government votes ?—Government votes from the Public Works Fund.

140. You are forming roads and metalling them, and so on ?—We do not do very much metalling. In that case the money is usually handed to the local bodies. We widen bridle-tracks and attend to bridges, culverts, and that sort of thing.

141. Do you follow up the settlements pretty quickly after the settlements are open ?—No settlements have been established since I came to the district. It is simply going over old work, widening and bridging.

142. How do you get on in regard to metalling ?—In this district, except the Pongaroa part, the metalling presents no difficulty. A great deal of the metal is got from the streams, and in certain districts there is a great deal of material available in the form of deposits of gravel left on the land.

143. When you get into papa country how do you get on then ?—We burnt some of the papa and used it for the Alfredton-Weber and the Makuri-Pongaroa Roads, and our last price was 5s. per cubic yard at the pit, but the Akitea County has done it more cheaply than that since. The lowest price it was let at was 4s. 3d. That was one contract ; others were at 4s. 6d.

144. It would be interesting if you would tell the Commission how this work is done ?—Here it is generally done on the road. The contractors pile the wood on the road and make a base about 2 ft. high by whatever length they intend to have the heap—20 ft. to 25 ft. long and 12 ft. deep. Then they simply break down the batter, throwing the stuff excavated on the brushwood or timber and then put on about 2 ft. of papa broken to not more than 6 in. to 8 in. thick, over which they throw fine stuff, and then put another 2 ft. or 18 in. of timber, and so on, right up to whatever height they require the heap. That is then fired, and the heat controlled, and is left to burn itself out, which takes two or three days. It is then left for a week or a fortnight to cool. It is paid for either by measurement of the days or on the road. The contractor receives progress-payments up to perhaps 50 per cent. of the estimated quantity in the kiln.

145. Under your direction how much has been treated in this way ?—Not more than a mile and a quarter, but the Akitea County has done nine or ten miles.

146. How does it stand traffic ?—The only proof of that is what has been done on the Alfredtown-Weber Road. That road was put down 10 in. wide by 9 in. thick some ten years ago. It has never been touched in any way in the way of surfacing, and it stands now as a good road. It is wearing thin, but does not break in any way, and the heaviest traffic—wool-wagons and timber-wagons—goes over it without damaging it. It is very elastic and does not crush, but wears away by degrees. No other metal I know of holds its formation like burnt papa does. Whatever camber you put on at first it retains all the time.

147. I see from your table here that the loading seems to be about 5s. per acre as a general thing. Do you think that is sufficient to provide roads for land laid off in 200 to 500 acres ?—Certainly not. With the ordinary frontage it would not make a bridle-track. I made out a statement showing this, thinking this question might be asked, as follows :—

ESTIMATE OF COST of felling, stumping, clearing, forming, culverting, bridging, and metalling Roads in Bush Districts in Wellington and Taranaki Provincial Districts, where the Country is moderately broken ; also the Proportion of such Cost to each Acre of Adjoining Lands where the Areas of Sections are about 200 Acres, and the Frontage of each Section equals about One-third the Depth as required by the Survey Regulations.

Data on which Estimate is prepared.

(1.) Allowing each frontage to be 25 chains wide (the depth being about 80 chains), and assuming that similar sections are laid off on the opposite side of the road, each section should be debited with the cost of $12\frac{1}{2}$ chains of road.

(2.) In ordinary broken bush country the average cross-section of the land along which a road is laid off is usually from 35° to 45° , at which angles over one-third of the excavation needed to form the road would consist of papa-rock or sandstone, and the other two-thirds, of earth, roots, and stumps. The angle of batters in these cases is usually $\frac{1}{4}$ to 1.

(3.) Where the cross-section of a bush road is about 35° the value of removing the earth, including roots and stumps, would be : for 14-ft.-wide roads, about 7d. to 8d. per cubic yard ; and for 6-ft.-wide roads, about 8d. to 9d. per cubic yard : the rock in each case being about 1s. per cubic yard. (Where the angle of cross-section is steeper the rate for rock would be lower, but the proportion of rock would be greater). The average price, therefore, for a 14-ft.-wide road—earth and rock—would be about 9d. per cubic yard ; and for a 6-ft.-wide road, about $9\frac{1}{2}$ d. to 10d. per cubic yard.

[NOTE.—The above prices per cubic yard are based upon the present rate of wages, 1s. per working-hour.]

Taking the above as standards the cost would be as follows :—

<i>Approximate Cost of a Roadway of 14 ft. effective width.</i>			
Felling bush 1 chain wide, stumping and clearing 30 ft. wide, at £1 5s.	£	s.	d.
per lineal chain, for $12\frac{1}{2}$ chains	15	12	6
Dray-road formation of 14 ft. effective width ; about 203 cubic yards to chain for $12\frac{1}{2}$ chains—about 2,537 cubic yards at 9d. per cubic yard	95	2	9
Culverts, two, each 20 ft. long ; average value of various sizes, 3s. per foot	6	0	0
Assuming that the average cost of bridges on a road would be £80 per mile, $12\frac{1}{2}$ chains would be	12	10	0
Plans, specifications, and supervision at 5 per cent., say	6	10	0
Cost of $12\frac{1}{2}$ chains of bush road felled and formed	£135	15	3
Equals about 13s. 6d. per acre.			

If we add to the above a light coat of metal, say, 10 ft. wide by 8 in. deep, about $16\frac{1}{2}$ cubic yards to the lineal chain; and allow 7s. per cubic yard as the value for providing, breaking, carting, and spreading the metal, the additional cost for the $12\frac{1}{2}$ chains would be...	71 6 3
To which, add for supervision, &c., say	4 0 0

Total cost of $12\frac{1}{2}$ chains felled, formed, and metalled £211 1 6
 Equals about £1 1s. 1d. per acre.

[NOTE.—The above estimate is for the usual heavy-bush land in Wellington and Taranaki Districts.]

Approximate Cost of a 6-ft.-wide Bridle-road.

Felling bush 1 chain wide, stumping and clearing 20 ft. wide, at £1 per chain, for $12\frac{1}{2}$ chains	12 10 0
Bridle-road formation 6 ft. wide, about $37\frac{1}{2}$ cubic yards to chain, $12\frac{1}{2}$ chains—about 468 cubic yards, at $9\frac{1}{2}$ d. per cubic yard	18 10 6
Culverts, two, each 10 ft. long, at 2s. 6d. per lineal foot	2 10 0
Share of pack bridges, say	2 5 0
Supervision at 5 per cent., say	1 16 0

Cost of felling and forming $12\frac{1}{2}$ chains	£37 11 6

Equals about 3s. 9d. per acre.

[NOTE.—If angle of cross-section of road is about 45° , as it frequently is where bridle-roads are made, the cost, on above basis, would rise to about 4s. 10d. per acre.]

To summarise: A 6-ft.-wide bridle-road, under above conditions, would cost about 3s. 9d. to 4s. 10d. per acre; a 14-ft.-wide dray-road, not metalled, would cost about 13s. 6d. per acre; a 14-ft.-wide dray-road, formed, bridged, and metalled, would cost about £1 1s. 1d. per acre. (These prices are for roads through lands heavily timbered and in moderately broken country.)

The average loadings placed upon lands was about 5s. per acre, the loading varying from 2s. 6d. per acre to 7s. 6d.; but one settlement (to and through which the road is metalled) was 10s. per acre. About six weeks ago the Engineer asked me to make an estimate for roading land at Utiku, where there is a block of 13,100 acres. It is very rough bush country and there are $26\frac{1}{2}$ miles of road to be made. I recommended that four miles and a half of dray-road should be constructed and the other twenty-two miles to be 6 ft. bridle-roads, and the cost of doing that made the average 14s. 3d. per acre over the whole.

148. Is there anything further you wish to say in connection with this matter?—What I wanted to show was that the loading would come to £9,320 on 13,100 acres, or equal to 14s. 3d. per acre. But, in addition to that, the Government would have to spend £4,000 for a bridge to give access to the block, which would mean another 6s. per acre. Then, in addition to that again, before the local body would take the roads over all these roads would have to be formed and that would cost another 7s. 6d. per acre; so that there would be a loading of £1 7s. 9d. per acre for the formed roads, without metal, to be added to the cost of that block.

149. And a lot of the land is not worth that?—No. Some of the front land is worth it, but a good deal of the land is not worth 10s. per acre. It is high cold country. The front small sections are very valuable because they are covered with timber. The prices have not been fixed yet, but the Commissioner told me they would be as high as £10 to £12 per acre.

150. Why are the sections made so small when they are covered with valuable timber? If a small settler got a section he would have to slash down the timber to carry out his improvement conditions?—These sections are not suitable for small settlers. A small settler would either have to slash down the timber or wait until the sawmill comes along. The proper method would be for the Government to take off the valuable crop of timber first and then let the land out to the settlers afterwards.

151. What kind of timber is it?—It is mixed bush. The principal timbers are totara, rimu, and matai.

152. *Mr. Anstey.*] Have you any idea what the timber is worth on the front sections of the block?—The Commissioner showed me the report made by one of his officers, showing that on some of the sections the timber is worth as high as £13 per acre. The value varied from about £6 to £13 per acre.

153. About how many acres of timber are there?—I cannot say.

154. At what price has the royalty been fixed?—The Commissioner valued it as high as 5s. per 100 superficial feet. You will understand that totara is very scarce now.

155. Would there be 1,000 acres of timber?—No.

156. Would it be a fairly rough estimate to say there are 500 acres of timber worth £10 per acre?—I should say it was a very high estimate. There might be four thousands pounds' worth.

157. Would it not be a fair thing to sell the timber and make the roads with the money so derived?—I think that would be a perfectly fair thing to do.

158. Do you not think the proper thing for the Government to do is to sell that timber and make the roads with the money derived from the sale of it?—Yes; and that is the recommendation of the Commissioner.

159. In regard to the general question of roading, do you not think that a much better way than the present system would be to have all these lands loaded with the full amount of the cost of the roads?—The land would not bear it in some cases.

160. But if the full cost were always loaded on the land, should we not know exactly then whether the land was worth opening up for settlement or not?—That is so; but some of the lands would not bear the loading if the capital value was eliminated altogether.

161. You say that the roads in the block you have quoted are going to cost £1 7s. 9d. per acre, and that some of the land is not worth 10s. per acre. That being the case the land is not worth loading, so what difference would it make if you put the full cost of the loading on to begin with?—Even if the land would not cover the cost of the roading, still you must remember that if the land is occupied by settlers and they produce goods to go out of the country and consume dutiable goods, it might pay the Government to settle them on the land, although the Government did not derive any direct revenue from the land. I might say that I do not believe in loading at all.

162. Then how are you going to make the roads: are you going to make them out of consolidated revenue?—When I say I do not believe in the loading I mean I do not believe in having any special sum for the loading. I do not think that a settler should say “I am paying £1 per acre for my land and 5s. per acre for the loading.” I would prefer that the Government should put on what they consider a fair amount as the selling-value of the land, and if there is any money to spare out of the receipts let them spend it on the roads. If the money available is not sufficient they should supplement it out of the Public Works Fund.

163. That means perpetuating the present muddle; but if the lands were loaded with the full cost of the roads, and the roads were made, and the settlers then put on the land, would not that be a much better system than the present method?—No; I do not think that would be better. I do not think the roads should all be made first because the settlers must be able to depend on getting work on the roads while they are settling their lands.

164. Do you mean to say that there has been no settlement whatever in the last four years in the Wellington District?—There have been no new settlements in this part of the Wellington Road District.

165. Has all the loading from the various sections been spent on these sections?—Yes, or on roads leading to the sections.

166. In all cases?—So far as I know. There may be a few isolated cases where the loading has not been spent. There is the case of the Rain's Road at Pongaroa. There settlers are only getting a road now, and they have been settled there for eight years.

167. In the case of this new settlement, where it is going to cost 14s. 3d. per acre to make four and a half miles of dray-road and twenty-two miles of bridle-track, would it not be much better to make a larger quantity of dray-road?—It would be very much better. I may say though, that as a general rule, it pays better to make a 6 ft. bridle-track first and a dray-road afterwards. My invariable rule is to make the bridle-track on the grade.

168. *Mr. McCutchan.*] In speaking of the roading question, to what extent do you think the Government should go in the matter of roading before vesting the roads in the local bodies. What has been the practice of the Government in the past?—There has been no legalising done or handing over to any extent until the last two or three years, and the instructions from the Government are that the road should be a formed dray-road not less than 10 ft. wide before it is handed over to a local body.

169. Is it the practice to metal the main arterial roads as well?—No.

170. Is it the custom?—No.

171. They are doing so in Taranaki on the East Road before vesting it in the local body?—The custom of the Government is this: The Government may gazette a road over to the local body, but it does not necessarily follow that they cease spending money on it either directly or by subsidy to the local body.

172. You are aware that great national loss is going on through inadequate roading facilities, and that the settlers are paying three and four times the ordinary freight for the carriage of their goods owing to the lack of access, and thus are very severely handicapped. Generally, it is felt that a radical change should be effected, either in the way of spending more money, or else by shutting the country up. The value of the land for the purposes of settlement is the value of the land roaded, because the land has no value until it is roaded for settlement purposes. Is not that the correct view to take?—That is so.

173. The trouble is how is a reform to be brought about, because unless the Government take the responsibility of making and metalling the main roads, and at least making the dray-roads on the by-roads, the settlers cannot carry on?—That is quite true.

174. Do you think it is too much to ask the Government to make and metal the main roads, and to make and form the by-roads?—No, I think that is very desirable.

175. In regard to the question of maintenance, very large sums are spent in the maintenance of these roads are they not?—Yes.

176. Do you not think that if the Government did the work more expeditiously all that maintenance would be saved, inasmuch as they could hand the roads over to the local bodies, who would be responsible for the maintenance?—Not in all cases. Although a road may be metalled, it does not prevent slips coming down.

177. If a road is vested in the local body they would have to clear the slips, and the Government would be free of that cost?—They would. I may say that last year the Kiwitea County Council had to come to the Government for £500 to enable them to clear slips on the roads.

178. That is very true, but it does not affect my argument. Does it not show that a fund should be provided for disasters of that sort?—Yes.

179. Do you find co-operative work as cheap as contract work?—It is now.

180. It is a question of close supervision?—Yes. I find that, within the last two years especially, the local bodies are letting out work a great deal by day-labour and a great deal by petty contract, which is very similar to co-operative work. We find really that there is no difference in the cost of work done by the Government, at the present time and during the last three or four years, and that done by the local bodies. And we find, too, that we can do the work cheaper under the system of petty contracts with the small settlers than by advertising for open tenders.

181. Do you think the whole question of road-work should remain in the hands of the Government, or do you think there should be divided control?—I suppose the Government would be in the better position to open the roads in the first instance, but once they are opened, undoubtedly the local body should take charge.

182. You think the matter of road-construction is work for the Government of the day, and that road-maintenance is properly speaking the work of the local bodies?—Yes.

183. You think that is where the line of cleavage should take place, that the Government should construct and that the local body should maintain?—Yes.

184. With reference to country that does not pay for roading, such as the block you have mentioned, is it not a narrow way of looking at the settlement of a block of land to say it will not pay for roading in view of the amount of produce that comes out of the land when the settlers' labour and capital are put in?—That is so; but the money could not come off the land entirely.

185. Naturally not, seeing that we are borrowing largely every year for public works?—What I mean is that a block such as that could not be loaded with a sufficient amount to make roads. The loading must be supplemented by grants from the consolidated revenue.

186. And would not such grants be justified?—Quite true.

187. *Mr. Johnston.*] Can you give us any idea what these shell-rock roads cost?—I have not had any of that work done. I know there was some shell-rock metalling done on the Ohura Road before I left Taranaki, and that cost, I think, £6 5s. per chain. That provided a thin coating 12 ft. wide and 6 in. deep.

188. How is that country up the east and west sides of the Rangitikei River going to be roaded and metalled unless at a tremendous expense?—There is no other way.

189. Is it not a fact that the sawmill traffic is cutting up these roads to nothing in that locality?—Yes, they are doing very great damage. They entirely blocked the Kawatau Road. The Government do nothing in a case of that kind because it is a country road. I may say that the County Council determined not to repair the road nor to ask the Government to repair the road until all the timber is cut off. I believe all the timber is cut out now.

190. What happens when the Government allow such cartage to go over their own roads?—The Government do not allow the cartage on the roads in the winter. They put up notices stopping bullock traffic after the 30th April.

191. Is the money that is spent in putting the roads right after this traffic charged to the land?—No, it comes out of the Public Works Fund.

192. *Mr. Paul.*] Is the system of patchwork, of making roads a little this year and a little next year, an expensive one?—Yes. It would be very much better to make the roads continuously, and it would be very much more economical. The results would be felt at once. As it is, we have nothing but complaints from the settlers. Of course, if there is one mile of bad road it will block twenty miles of good road.

193. Do you think it would be wise for the colony to go in for a very large loan for roading?—That is a policy matter, and I am afraid I cannot give an opinion on that.

194. Of the three systems, day-labour, co-operative, and contract, which is the best?—It depends. For a large bridge, for instance, the ordinary tender system is the best as a rule, although I have built bridges within the last four years by day-labour at less than the price tendered.

195. You agree that day-labour and the co-operative system are satisfactory under fair supervision?—It depends entirely on the supervision.

196. *Mr. McCutchan.*] Does not a good deal depend on the class of labour. Do not the Labour Bureau sometimes send workers from the cities who are not quite as satisfactory as local labour?—That has not happened so much in the last four or five years. A very great change for the better has taken place. Most of the men who come out to work now know something about it. If they cannot do the work at the price fixed, it simply means they get lower wages.

197. The Commissioner for Wellington Province pointed out that there was £14,000 of "thirds," and under an amending Act passed last session, if the local bodies do not spend their "thirds," the Roads Department are going to resume control and enforce the expenditure. Well, if the local body is compelled to do the work, it may happen that both the Government and County Council will do it on the same piece of road?—Yes, that occurs frequently. Even before the road is handed over, if the local body has "thirds," we ask it to spend them, even if we continue to spend Government money upon it; and we do not compel them to have the road simply because they have spent the "thirds" upon it. It does not prejudice their position at all.

198. May it not lead to confusion amongst the engineers working upon the same piece of road?—No, it has become easy in practice. We generally work together in a case of that kind.

199. *Mr. Paul.*] With reference to the undesirable labour sent into the country at times, would it be satisfactory if you gave the men good wages?—We fix the work for them, and if they are not competent men, they make small wages. Instead of making 8s. a day, a man may make 4s. a day, and we have had cases where men have only made 3s. 6d. a day.

200. Would that work be satisfactory?—No. A man who does not know how to do earthwork cannot do it properly. The formation-work may be all right, but such work as batters such men can never do.

201. *Mr. McCutchan.*] The roads have fallen much in arrear as settlement has gone on; that is to say, settlement has far outstripped the progress of the roads?—Yes.

202. If the public expenditure were doubled, do you think the roads would keep pace with settlement?—I do not think so. It would take a long time to overtake the settlement which is in existence now, without opening up any new land at all.

203. Do you think it is wise to open up new districts until there are reasonable prospects of giving

access to them?—I think it is undesirable, but sometimes the pressure or demand for land forces the hands of the Government.

204. But, if so, it should force the hands of the Government in finding adequate finance?—If they can.

205. There has been no difficulty for a number of years, our credit has been good enough?—That is a matter I cannot deal with.

206. If the Government had a road going through the country, would not a large amount of the expenditure in a great many districts be recouped in the price of the land obtained: would not the settlers give 50 per cent. more if the country were roaded?—Undoubtedly they would.

207. *The Chairman.*] You mentioned the matter of letting contracts: do you call for tenders?—No.

208. How is it done, then?—If there are men on the road, or if new men come, the work is laid off for them. A length of, say, 20, 30, 40, or 50 chains is estimated by the Engineer, that is, the levels are taken and the quantities included. The whole information is put before a man, and he is told that this is at 7d., 8d., or 9d. per cubic yard, and the quantities are so-much. Usually the levels and plans are given to him, so that he may satisfy himself that the measurements are correct. Then he is shown how to do the contract, and when it is completed he gets paid according to the measurement.

209. Has any deposit to be made?—No, he signs a contract, but there is no deposit.

210. You have no sureties?—No.

211. You bring the prices down to the level of the hardworking man?—Yes.

212. You do not give any progress-payment?—No. The man usually gets 90 per cent. of the work done, but does not get paid for a week after the measurement, and that makes a difference of perhaps 15 per cent.

213. In other words, that has been found satisfactory?—Yes.

214. *Mr. Paul.*] At the present rate of progress, and following the lines that have been followed in previous years, there is no possibility apparently of the settlers having good roads?—Well, they come very gradually. You do not see the improvement in one year, but by looking back three or four years you see very marked improvements in the various districts. It is weary waiting, no doubt in some cases, but the roads come in time.

215. While being kept waiting, perhaps, there is a good class of settlers who are being broken-hearted, and are leaving the settlement?—There are cases of that kind.

216. At the present time there are settlements that have been ten years without roads?—Yes, or with very indifferent tracks—they cannot be called roads.

WELLINGTON, MONDAY, 3RD JULY, 1905.

FRANZ DAVID BAUCKE examined.

1. *The Chairman.*] What are you?—At the present time I am both a miner and farmer. I come from the Rimu district, Westland. I have been in that district seven years. I hold 92 acres of land under a year-to-year lease, and I pay £15 per annum rent for it. It is land that was resumed by the Crown for the deposit of mining *débris*, and it was partly improved before I got it. I may say that I am only newly in occupation of it. I am going to crop it and graze it.

2. Do you do a little mining as well?—Yes, I am working in a claim in which I have a share, about a mile away.

3. Do you find this tenure from year to year satisfactory to you?—Under this tenure I am obliged to give up at a month's notice, and I get very little consideration for improvements. If the conditions were otherwise, there is not the slightest doubt but that I should be paying more rent. I may say that the whole matter is really a question of administration. So long as the men from whom I hold the land are fair-minded men I do not feel the slightest hardship in being under this tenure, because if a portion of the land is required for mining purposes that portion can be cut off. At the present time I have not the slightest fear of my tenure being disagreeable to me, or that I shall suffer in the least, because I have confidence in the Land Board. I know the conditions under which I took up the land, and I am satisfied.

4. So far as Land Boards are concerned, do you think the system of nomination by the Government is a good system?—I am afraid to speak on that subject. I could not give a pronounced opinion. My difficulty is that we have men appointed who do not give me satisfaction, and in a matter of that kind, if I had confidence in the appointee, I believe I should have confidence in the appointed. There are reasons why the Land Boards should be elected, but who is going to elect them? Is every man on the roll going to elect the Land Board, or only those who are directly interested in the land? Then, again, there may be men who want to go on the land but who cannot get land, and if they are not actually in occupation, it is said they should have no vote in the election of the Land Board. I may say I prefer the elective system on general principles, but I see great difficulties in its application in this respect.

5. You say the administration of the present Land Board so far as you know is quite satisfactory?—Yes.

6. Have you had any experience of the Advances to Settlers Office?—No.

7. Do the mining interests conflict at all with settlers' interests, or do they get on very well together?—There is no difficulty in that respect.

8. *Mr. Hall.*] Do I understand you to say that you see no reason to make any objection to the present system of appointing the Land Boards?—I see evils on both sides, but I do not see how to avoid them.

9. *Mr. McCardle.*] You had experience on the land before you came to the Coast?—Yes, I was brought up on the land.

10. You say you are not quite decided as to how the Land Boards should be constituted: you would like to see them elected, but can you not see an almost insurmountable difficulty in bringing about an elected Land Board?—I see difficulties to getting the Land Board elected fairly.

11. Do you not think that the districts and franchise would be so widely spread as to render it almost impossible to get representative men on the Board at all?—That is the result of the thoughtless voter and canvassers.

12. Do you not think the present system would answer very well if the Government in making the appointments saw that the members represented the various interests, and were men with a practical knowledge?—Yes; so long as practical fair-minded men were appointed there would not be the slightest difficulty. I should be quite satisfied.

13. *Mr. McLennan.*] You have only a year-to-year lease?—Yes.

14. Is it quite satisfactory to you?—Yes, because I got it under certain special conditions. I know the conditions, and although they would seem to an outsider somewhat severe, I know their object, and I know I have no reason to complain. I have confidence in the Department under which I hold my land. The tenure is immediately connected with mining interests, and the land was resumed by the Crown, and a very high figure paid for it or mining purposes.

15. Supposing you were on a part of the West Coast where there was no mining at all, would you not rather have a thirty- or forty-years lease?—Certainly I would. In regard to the question of compensation for improvements I believe that the results of exerted labour should be required under all circumstances.

16. *Mr. Paul.*] Which is the best tenure to suit both agriculture and mining for land situated in your district?—I am very well satisfied with these special regulations for Westland. It has been a great mistake in the past in having so much land lying idle when it could have been used. Before these regulations were drawn up a man could only occupy it by trespassing upon it, and, naturally, he did not care to improve the land. Now, these special regulations have been drawn up, and they give a man an opportunity of paying a small rental and putting the land to some use, and the Crown is still protected from exorbitant demands by way of resumption. There is only one clause in the regulations with which I have fault to find. It provides for valuation for improvements to be paid by new lessee, and states "The maximum amount shall not exceed three times the amount of the average annual rent or five times that amount where the annual rent does not exceed £50." That is a mere trifle. Although a man might not expend any money at all he might utilise all his spare time in improving the land, and afterwards another party who had nothing to do with effecting these improvements tells him how much he is to receive as compensation.

17. Do the farmers and miners work amicably together?—Yes; their interests do not clash, because they are in different districts. Only a small part of the land along the Hokitika River bed is available for farming purposes, and the other land is only fit for grazing a few cows.

18. Your district is different from others where mining and farming take place on the same land?—That is so. I have heard that there has been a little trouble of that kind along the Arahura and Teremakau Rivers, but I am not acquainted with the particulars and cannot speak on the matter.

19. *Mr. Anstey.*] You have a lease which practically gives you no security of tenure: can you suggest any lease which would give you a secure tenure as to compensation for your improvements and continuous occupation, and which would not conflict with the mining interests?—Not in our particular circumstances. I would have to trust the Land Board, or the Land Board would have to trust me.

20. In the miners' interests it is impossible to give the farmers a secure tenure of that kind?—It is there.

21. You would not apply that generally to the West Coast?—No.

22. *The Chairman.*] Is there anything further you wish to bring before us?—I may say I am Secretary of the Rimu Miners' Association, consisting of about forty-eight members. We had some difficulty in arranging who was to represent the association at the Commission, and it was suggested that we should all state our views on mining lands generally. They nominated me, and asked me to state my views, and I said that as a general principle I would always uphold the Crown ownership of the land. They would hear no more, as they said they were quite satisfied with that.

23. *Mr. Paul.*] Did your association pass any resolution or consider the question of giving the present Crown tenants the freehold?—They did not consider that question, but the resolution passed was "That the delegate to give evidence on behalf of the association before the Land Commission is hereby instructed to uphold the principle of the Crown ownership of land."

24. Then it is fair to assume that they should be opposed to giving the freehold to the Crown tenants?—Yes.

THOMAS WILLIAM DUFF examined.

25. *The Chairman.*] What are you?—I am County Chairman, Westland.

26. What is your occupation?—I am in the boot trade. I have been in the district at Stafford about thirty-five years. I have been County Chairman six months, and I have been a member of the Council three years.

27. Your district is one which is largely engaged in mining and sawmilling, and agriculture occupies a very subordinate position: I suppose the district is getting on gradually and steadily?—Yes.

28. Has the administration of the Land Board so far as your observation goes been satisfactory?—It could not be more satisfactory so far as I can learn.

29. In regard to the constitution of Land Boards, do you think the present system of nomination is a good plan?—I cannot see that it could be improved on very much. If it was elected it would be a difficult matter to get the right men to stand for the position. I do not think the present system could be improved on unless more representative men were placed on the Board—I mean men from the different districts, who would know the local conditions affecting the land in their particular district.

30. In your particular county, of course, if a man were appointed to represent the far south he would require almost to live at Hokitika?—At times, of course; but a man need not be appointed from the far south to represent land-settlement in that district. I think the present Land Board have given general satisfaction, although there is no representative from the far south on the Board.

31. What is your view on the matter of tenure?—I have not gone very much into the question of the different land-tenures, because I have never had occasion to do so. I may say that individually I hold that, although the Government have in the past sold the Crown lands, I think on principle the Government should have held and should continue to hold the freehold of these lands.

32. Have you had any experience of the Advances to Settlers Act?—No, except from hearsay. Some of the settlers under leasehold tenure think they are not as well treated as people holding the freehold. They find they cannot get as large advances on their leases. If there were some means by which the men holding leaseholds could get advances from the Government as high as men with the freehold, I think it would be an advantage.

33. I suppose the roading question is one that bulks very largely in your district?—Yes, and that is the particular question that affects us from a county point of view. Of course the position is this: that, as the lands are opened up, a very large amount of roads is made. At first they are perhaps not made to the best advantage, and very shortly after construction they are handed over to the County Council to be maintained, and that means a very heavy charge on the local body's finance. I think there should be some means whereby the local bodies should have a certain amount of revenue from the sale of the lands, if they are sold, or from the rents derived from the land. It is a large question in a new district like ours, and, speaking from the County Council's point of view, we find it difficult to maintain a large number of the roads that are made.

34. The Government, I think, maintain the main road to Hokitika, and then the road south as far as it goes?—The Government have maintained the main road through from Christchurch, say, to Ross. Below Ross the Council have had the maintenance of the road up till a short time ago. In fact, we still have it, only the Government have allowed us a subsidy of pound for pound up to, I think, £700 for some years. For a short time back the Government maintained the road or they spent a considerable amount in maintaining it. I may say that the £700 from the Government with our own £700 is hardly enough to maintain the road, because we have so many floods to contend with. After every flood there is a large demand on the Council for repairs and for new tracks up the river-beds. In a scattered district such as ours we want a lot of new tracks and roads.

35. Do your Council solely maintain the road from Hokitika to Kokotahi?—Yes. We have, of course, obtained grants from the Government to assist us in maintaining it.

36. *Mr. Johnston.*] Do you own any lands?—Only some sections in the mining township of Stafford.

37. Are the interests of the State being conserved so far as bushfelling is concerned? Is the felling being done indiscriminately or systematically?—It is done systematically, of course, by the sawmillers who take up a forest area for milling purposes.

38. Do they just cut the bush down and leave the land?—Yes.

39. Is that land then allowed to come up in weeds and rubbish?—That is so.

40. Is the land any good after the timber has been taken off it?—Some of it is good and some is not.

41. Has any grass been sown on it?—No.

42. It is simply left a hotbed for weeds?—That is all.

43. How is it that this land is not taken up for occupation?—Because a lot of it is not suitable.

44. What is it suitable for?—Round our particular district it is used for mining principally. Most of the land is considered alluvial, and a certain amount of prospecting is proceeding on the bush lands. We are always hoping to find some fresh gold-lead.

45. If the land from which the timber has been cut off were properly cleared, would it grow grass?—Some of it would, but the rest would not grow sufficient grass to make it profitable. Of course I am not an expert in these matters. The people round these farming districts, and near where the timber is being cut, own a few head of stock.

46. Do the farming interests conflict with the mining interests?—Not to any great extent. I think in an alluvial mining district the land should not be sold or a title given which would prevent the mining being continued.

47. Are you a member of the Land Board?—No, and I have never been a member of the Land Board.

48. Is the land increasing or decreasing in value in your district?—It is increasing in value materially.

49. Are the Government getting a larger royalty now from these mills than they did previously?—I think the royalties are the same, so far as I know. The local bodies wish to obtain these royalties. We think we have a right to them.

50. Are the royalties the same now, as they were five years ago?—I am not certain on the point.

51. There has been a considerable rise in the price of timber?—Yes, but that is owing to a combination of the millowners.

52. *Mr. Paul.*] With reference to the election of Land Boards, you said there might be a difficulty in getting the best men to stand if the elective principle were adopted: do you not think the franchise

is a difficulty too?—So far as our district is concerned, it would be a certain part of the district that would have any knowledge of the land troubles at all. A large portion of the electors are miners pure and simple.

53. Unless the election were held under the parliamentary franchise, would it not be an injustice to a large number of people?—I think, if the Land Boards are elected at all, they should be elected under the parliamentary franchise.

54. But you believe the nominative system is the best?—So far as our district is concerned, yes. I cannot speak of other districts.

55. *Mr. Anstey.*] You said you had a difficulty in getting revenue for necessary works for your county: can you tell us the different headings under which your revenue is derived?—Our principal revenue is derived from the rates on the lands that are occupied, and from mining rights.

56. Do you rate on the unimproved value or on the improved value?—On the improved value.

57. What is the total amount of your rates annually?—I cannot tell you from memory.

58. Can you give us the amount of Government subsidies you receive?—No.

59. What revenue do you derive from the gold industry?—I cannot tell you that either.

60. What do you derive from the timber industry?—Nothing at all.

61. Does the timber industry make use of the roads?—Yes, to a very large extent.

62. Do you think that industry should contribute towards the maintenance of the roads?—I do. I think we should get the royalty from the timber in our district. We get the whole of the rents and the whole of the license fees, which amount to 5s. per annum, from the gold-mining industry. We also get the whole of the rents from the dredging claims.

63. And you think you ought to get an equal amount from the timber industry?—Yes.

64. Do you get any Government grants?—Yes, for roads. I do not know the amount. You will find the grants in the appropriations.

65. The grants of course depend on the will of the Government: do you think that is a satisfactory way of getting revenue? Does not the most industrious member get the most grants for his district?—I do not know about that.

66. Is that a satisfactory way of getting revenue?—It would be more satisfactory if we had an assured revenue which we could spend to the best advantage.

67. Do you think if you got a revenue from the timber industry, as you get a revenue from the mining industry and from rating, and if you got a reasonable subsidy on your total revenue from these sources, that you would then have sufficient revenue to maintain your roads without further grants?—Not for the making of new roads. It would do to keep up the present roads. We should want special grants to make new roads, because the country is very difficult to road.

68. Suppose the Government made the roads themselves for new country, and then handed them over to the local bodies for maintenance, and the local bodies undertook the whole of the maintenance out of an assured revenue derived, as I say, from rates, mining, and timber industries, with a reasonable Government subsidy thereupon, would that be satisfactory?—We should want an increased subsidy on what we get at the present time on our rates.

69. How much of an increase?—I have not gone into that question closely.

70. What subsidy do you get now?—I think it is 5s. I am not sure.

71. Supposing it was increased to 10s., would that be sufficient?—I have not gone into that question fully.

JAMES HARGREAVES examined.

72. *The Chairman.*] What are you?—Mining and general commission agent, and Chairman of the Grey County, and have been forty years in the district.

73. How long have you been Chairman of the Grey County?—This is my second term. I have been twelve years in the Council and two years as Chairman.

74. Your experience and the position of your county is somewhat similar to Mr. Duff's?—Yes.

75. And in the matter of roads, it is very largely the same in your district?—Yes, it is equally good in my district regarding roads.

76. You have a much better county for rates than Westland?—Yes, we have a larger amount of settlement, I believe, in our district.

77. Your county is partly in Westland and partly in Nelson?—Yes, down to the Teremakau and to the Grey River.

78. You necessarily have had some communication with the Land Boards?—Yes.

79. Have they been satisfactory?—Yes, I have been dealing with the Land Boards for a period of eighteen years. I do not include the Westland Land Board in that time. I have been attending the Westland Board meetings, and I have only missed once.

80. Have you anything to say with regard to the administration of the Land Boards?—I have nothing to complain of as to the administration by either Board.

81. With regard to the constitution of the Land Boards, do you think it is satisfactory?—The only thing I would like to say is that an amendment might be made giving a wider range to the appointments so that the Board might be constituted of men in different localities. I think that thereby you would have a member from every part of the district, and he would no doubt have a special knowledge of the locality where an application was referred to, and also the Board would have the advantage of the special knowledge that such person might have of the persons living in the districts. I think if the Government gave that wider range, then the Board would be perfect, as far as I know.

82. You think the selection of members might be wider over the district?—Yes. Apparently the Government have been actuated by appointing members in a special area, thinking expense might be saved, but no special knowledge is brought to the Board by appointing members immediately where

the Board sits, and I presume the Boards are administering public estates, and they should be placed above any kind of position where anything might crop up that was not done fairly and justly to the people.

83. They should be as independent as possible?—Yes.

84. With your knowledge of the business transactions of the people in the district, what is your opinion in regard to the Advances to Settlers Department?—In my particular district, I have known advantage to be gained by taking advantage of that Act.

85. It is not very general?—No. In fact, there is a considerable amount of difficulty; it is not availed of very much.

86. Do the people borrow privately?—Yes. I have not a very extensive knowledge of it, but there are some. There are some in my district who have not gained much advantage by the Advances to Settlers Act; there seems to be a difficulty in getting money.

87. In regard to the matter of roads, the main road through your district would be upheld by the Government?—No, my county is an exception in that respect. The Government do not keep our main roads; we keep them ourselves. We are entirely different to Westland and the Inangahua County in that respect. Although we have at different times asked the Government to take our main roads over, they have not done so, and we have determined to keep the main roads ourselves. We are going to ask the Government to give us an appropriation so that we shall have the control of the roads. It was discussed at our last Council meeting, and we do not feel desirous of allocating any of our roads to the Government.

88. On what basis do you wish the Government to grant a subsidy?—Simply a subsidy. I think it is possible we might ask the Government to give us a grant of £500. Our road only goes to the Big Grey River.

89. Of course, you have the railway up there?—Yes, we are no different to the Westland and Inangahua Counties in that respect.

90. The timber industry is very large there?—Yes.

91. You have a large export of timber from Greymouth?—Yes; 26,000,000 ft. a year.

92. Is there anything you would like to mention?—You were alluding to timber: I might say that I know something about timber and timber areas, and how they are obtained. The Westland Land Board in particular make every effort to conserve the timber.

93. To an unusual degree?—The Land Board conserves the timber this way: On an application coming before the Board, the Board has it inspected, and if the Crown Lands Ranger or Inspector reports that there is two or three thousand feet of milling-timber to the acre upon the area of land, then, of course, it is not alienated. The person gets no title, except that he might possibly get a temporary grazing license which works out at three months' notice. That is particularly with regard to the regulations under the Westland Mining District. Within the last two years, or thereabouts, there has come into existence regulations under which they give a pastoral license of twenty-one-years tenure, with valuation for improvements and right of renewal. This is a very good title for our district, inasmuch as there is provision whereby the greater part or nearly the whole is taken for mining, and there is a reservation with regard to a small part of it for residential purposes, and so on. This is a title which is very much sought after at the present time in the Westland Mining District. I might say that these regulations have been brought into existence in the Nelson District, and within the last few months I have obtained a title or two under the pastoral license in Nelson.

94. It was found to suit the circumstances of the district very well?—Yes, this form of license is very much sought after. There is a very great earth-hunger amongst the people on the West Coast, and they readily take this title. You will observe that it offers very good security, the three principal features being right of renewal, title for twenty-one years, and in the event, I presume, of the Board at any time determining to alter that title, the land will then be loaded and valued for improvements. Now, what I would suggest would be that those persons who have obtained a title as I have described should get a lease in perpetuity.

95. Is that the general wish or only your own opinion?—That is the general wish. They would give up the pastoral license immediately and apply for a lease in perpetuity if the opportunity was offered; I have no doubt about that. In fact, I might point out that a large portion of our lands were locked up for a considerable period through the Midland Railway, and the Land Boards for a considerable time were only giving what they called the temporary grazing license, as I have described, running for no period but from year to year, with the likelihood at any time of the title being taken away with no valuation for improvements, in fact, no consideration whatever. Of course, referring to that, I have not known a Land Board either in Nelson or Westland take the land away from a person on the temporary grazing license without giving value for improvements in the event of the land being thrown open; that is allowed to a certain extent. Under one section of the Act—section 219 of "The Land Act, 1892"—they run for three years, and under another section they run from year to year, and they can be transferred at three months' notice.

96. Of course, those that can be cancelled at short notice are necessarily where the land is auriferous or likely to be?—Yes, that is so.

97. *Mr. Hall.*] As regards the Advances to Settlers, you say that some borrow in that way and some borrow outside?—Yes, that is so.

98. Do you consider that the policy has been very beneficial in the country?—I think it has. I think, as far as my knowledge extends, it is worth taking advantage of; some have benefited by it.

99. Do you think, as regards those who borrow outside that Department, that it is much more easier to borrow, seeing that some millions of pounds have been lent at a low rate of interest, and that policy has kept down the rate of interest outside the Department?—Mostly in my district they generally try to take advantage of the Advances to Settlers Department, but there seems to be some difficulty

in getting the money. Whether the difficulty is in regard to the titles or not I do not know, but I know that in some freeholds they have not succeeded in getting it.

100. Has that lending policy made it easier for people to borrow outside the Department—on account of the millions that have been lent under that policy, has it made it easier to borrow by reducing the interest in the colony generally?—Possibly it might have acted that way; I do not know of any particular instance.

101. *Mr. Johnston.*] Have you ever been a member of a Land Board?—No, never.

102. Are the Crown tenants satisfied with the present leases as far as you know?—I have heard no special grumbling.

103. There is no dissatisfaction with the Crown tenants?—They would readily take the leasehold if they could get it, but they would go for the occupation with right of purchase if they could get it.

104. Do you think they would prefer the occupation with right of purchase?—Undoubtedly they would. I may say that it has always struck me that in valuing the land for the lease in perpetuity and the occupation with right of purchase, the rent on the valuation under the lease in perpetuity is too high in proportion to that of the occupation with right of purchase. There is only 1 per cent. difference in the rental working it out this way: We will say that a person applies for 100 acres of land, valued at 10s or £1. If a person pays 5 per cent. on that, supposing it is valued at 10s. an acre, the actual price of that at the end of a term of ten years would be £50, and the rental during the ten years would amount to another £25, making it £75 in all; whereas, under the lease in perpetuity, a person getting the right over the same area of land would pay £20, which would still go on. It is my opinion that the rental on one is either too low or the other is too high.

105. Is the farming industry progressing in your district?—Yes, we have there a great earth-hunger, and very much more land will be taken up.

106. Why do you advocate the lease in perpetuity on these small grazing-runs when you say the occupation with right of purchase is the best tenure?—Occupation with right of purchase is undoubtedly the best tenure.

107. Why do you advocate lease in perpetuity for small grazing-runs instead of the occupation with right of purchase?—The position I take up is this: I certainly say with regard to the whole of my clients they would much prefer the opportunity of taking the occupation with right of purchase. For instance, in our district there has been very little of these titles given, either with the Nelson or Westland Land Boards. There is a considerable area taken from the Crown under lease in perpetuity, and we have pastoral licenses and temporary grazing licenses.

108. You have advocated lease in perpetuity instead of the twenty-one-years grazing-run?—Undoubtedly.

109. Why do you advocate lease in perpetuity instead of occupation with right of purchase?—I do not advocate lease in perpetuity as against occupation with right of purchase.

110. You recommend lease in perpetuity instead of small-grazing-run leases?—No; I say most of my clients would exchange their small grazing-runs for lease in perpetuity.

111. Why do you recommend the lease in perpetuity, and then say that the best tenure is the occupation with right of purchase—which do you mean?—I mean the occupation with right of purchase is the best.

112. Do you think it is in the interest of the State to give occupation with right of purchase?—It is undoubtedly the best tenure.

113. I ask you which is the best tenure for the State—occupation with right of purchase or lease in perpetuity?—Undoubtedly the lease in perpetuity is the best thing for the State.

114. You think the right of purchase is not the best thing for the State?—If you are getting at the political aspect of it, I might say that I am not prepared to give an opinion.

115. Do you believe in the Wardens having the control over the mining interests, and having the right to give licenses for cutting the bush?—Yes.

116. Do you not think it is better for the Land Boards to administer the mining lands?—I think the Board is in a better position to judge in respect to a lot of it than the Warden.

117. Then it is not advisable to allow the Warden to have control of the cutting-rights?—Not in all cases; but the lands are not all auriferous.

118. Is it not a fact that the Warden gives indiscriminate rights for cutting timber?—Yes, undoubtedly for timber rights, but that is only very recently.

119. Is it not a fact that the Warden gives a license anywhere near the bush when it is applied for, or does he submit the license to the Land Board?—Yes, at the present time. I may explain that they did not give timber rights for land over a lot of Westland until some two years ago. They were not given indiscriminately.

120. But now they are given indiscriminately?—Now they are. There is no question as to which is Midland Railway land or Government mining reserves—I can vouch for that.

121. Is there not a great waste of timber through giving these rights in that way?—No; there is a Ranger to look after the revenue, and strict regulations with regard to royalties; and full security is taken so far as the State is concerned in order to conserve the timber.

122. The right of cutting sleepers is not given indiscriminately?—No, it is not. You have no right to cut timber unless you comply with the regulations. You have to get a right over an area, and the area with regard to sleepers is a very limited one—20 acres—for which you pay yearly a license of £5, and for six months a license fee of £3.

123. When this timber is cut, off does the land deteriorate in value?—It is the very land that the earth-hunger is about. It is readily taken up if you can get a title to it.

124. What class of land is it that is taken up under the twenty-one-years lease—the small grazing-run—is it bush land?—Yes.

125. Do the lessees fall it?—Yes, if the Land Board gives a title they can fall it.

126. And grass it?—Yes.

127. *Mr. McCardle.*] I think you said that where applications were made under the Land for Settlements Act, the settlers were placed at a disadvantage in the unsatisfactory tenure under which they held the land?—Yes. What I meant to say was that some succeeded in obtaining advances under the Land for Settlements Act and some did not, for what reason I do not know. I have been in no way implicated in a case. An officer is sent to report, and I suppose it depends upon the nature of his report whether they obtain an advance or not.

128. Do you not think it would be very much cheaper in your district if the land-tenures harmonized—that the State should reserve all the mineral rights to prospect and take up claims?—I think possibly that would be the case.

129. Do you not think it leads to confusion to have so many different titles?—You have only the Land Act of 1892, and of course under that you practically have only got two tenures. The ones I am referring to are the pastoral-land and the timber-land lessees who have no title to borrow money upon.

130. With regard to the difference between lease in perpetuity and occupation with right of purchase: you say that the State's best bargain is on the 4-per-cent. tenure: are you not aware that the money costs the Government over 5 per cent.?—You are speaking of one thing, and I of another. I am speaking of the rental, that is not nicely adjusted under the lease in perpetuity. Four per cent. is either excessive, or the 5 per cent. with the right of purchase is too small.

131. You think the lease in perpetuity is too high?—I do.

132. Do you think the Government can get money much cheaper than that?—No, they are not lending money. It is what they are deriving on the freehold land that I am speaking of.

133. Do you not know that the rent runs for 999 years at a fixed price?—Yes.

134. Is it not better than the tenure you refer to?—What about future generations?

135. Do you expect any future valuation?—No.

136. What do you expect then?—If I understand the matter it is this: that the periodical revaluation of land would carry the valuation of the improvements to the lessee; then I think he would certainly be worked out of his land in time.

137. Do you think the State has any right to do that?—No, I do not.

138. You wish to convey to us that the 4 per cent. on the fee-simple of the land is a very profitable thing to the State?—Yes, I do.

139. If you can show me where the Government can get money at 3 per cent. then I will agree, but they cannot do that. Recent operations have been at 4 per cent., and I cannot see how the State can be making anything with the lease in perpetuity?—It is a mere matter of opinion, I presume.

140. It is a matter of figures. You favour the right of purchase?—I am not expressing an opinion. I say it is the best title, and if I were going in for the land I should certainly take it up on occupation with right of purchase.

141. You said in answer to Mr. Johnston that you had some doubt as to whether it would be a good practice, so far as the State is concerned?—I did.

142. It is a question whether any lands should be alienated, or that alienation should take place in the future?—That is a matter I am not prepared to express an opinion upon, I am only speaking as to what I should prefer.

143. Do you think that a man with the right of purchase is more likely to succeed than a man under the lease in perpetuity?—Yes, I do.

144. If that is your individual opinion, and the pretty general opinion of people settled on the land, do you think it is in their interests that concessions should be made to them?—Yes.

145. It must have its collective benefits—the State benefits if you can produce more from the land?—It would be a benefit, because I am satisfied that the person with the right of purchase would put the best labour into his work. There is another matter I wish to draw attention to. The man that has land under the occupation with right of purchase has less difficulty in getting an advance from any private person with regard to that land than the person having a lease or right of any description.

146. Is it not another advantage that the State with its land-tax can always get at the freehold?—Yes.

147. *Mr. Anstey.*] You said you thought it would be wise if all parts of the district were represented—do you think it would be wise that the mining interest should be represented on the Land Board in the Grey district?—I cannot say that it would require any person to represent the mining interest. I may say that I have been placed in the Warden's Court for the last eighteen years, and I have never seen any necessity whatever for the miner being specially represented. The Boards, I think, take all kinds of precautions in that direction, and where there is the slightest doubt it is referred to the Wardens. I cannot say how the Warden collects his information, but where it is necessary for him to express an opinion the Board gives effect to it.

148. Do the mining and agricultural interests conflict?—Not very much.

149. Are agricultural holders of land able to get a secure tenure of title to their land?—As a matter of fact, we have had no titles to permanent tenures given on the West Coast. About my locality there is any amount of land that does not conflict with the miners' rights. There are only certain belts of country with auriferous land within them.

150. And inside of that?—Inside of that belt, unless it is the flats along the river-beds and creeks, there is very little land that is taken. It is heavily timbered land as a rule.

151. I am asking you whether you can give to any tenants a secure tenure and the right of occupation without conflicting with the mining rights?—In a lot of cases you could not give a secure title.

152. Your answer was not quite correct then—the mining rights do conflict with the agricultural interests?—In some cases, undoubtedly.

153. Could you suggest any way by which that difficulty could be got over: could you give a title?—The landowners on the West Coast have been very good with regard to the mining arrangements that have been come to.

154. The miners have to pay compensation?—Yes.

155. Does the fact that the miners have to pay compensation interfere with the miners' rights?—No, they are treated liberally.

156. How is the damage assessed in connection with the miners' rights over the freehold—by arbitration?—Yes.

157. Have you ever heard of a case where an unreasonable award has been given?—I have not. Generally, as I say, the matter is settled by amicable arrangements with regard to the land.

158. In that case there is no reason why the occupier should not give a secure title, provided that it is subject to mining rights being submitted for arbitration?—No.

159. *Mr. Hall.*] As regards land for settlements, in the interests of the State do you think that a system that would promote *bonâ fide* settlement and contented settlers is likely to be in the interests of the State?—Undoubtedly.

ALBERT HENRY WHEELER examined.

160. *The Chairman.*] You come from the Poerua Settlement?—Yes.

161. It is on the railway-line near the Teremakau River?—Yes.

162. You have been there how long?—Eight years last June.

163. How much land do you hold?—Two hundred acres.

164. What is your rent?—1s. 10d. an acre.

165. You are under the lease in perpetuity?—Yes.

166. How do you like being under that tenure?—I like it very much.

167. Your land is partly bush, is it not?—Yes, scrub land and swamp.

168. How is the settlement getting on?—It is progressing all right, slowly at first, for want of roads, but we have roads now.

169. Did the Government make the roads for you?—Yes, they finished the last piece last March.

170. Are the roads shingled there?—Yes, and are very good roads.

171. The land is fit for grazing?—Yes.

172. What is the number of your section?—No. 4.

173. How many settlers are there in the settlement altogether?—All the sections are taken up. I think there are twenty.

174. Are they mostly married people?—There are four not married.

175. You have a school too, I suppose?—Yes.

176. Have any tradesmen started there?—No, there are no stores or anything of that sort.

177. I suppose your neighbours are very well satisfied with their tenure and occupation generally?—Yes, but they have asked me to make a suggestion in connection with the lease in perpetuity—that is, they wish to have the right to pay off 75 per cent. of the capital value, so as to ease their rents.

178. Do they wish to pay it by instalments?—Yes.

179. You have a creamery there, I see?—Yes.

180. Some of you are engaged in burning?—All are engaged in burning. We only started last March, but anticipate doing something next summer.

181. Is there any sawmilling in your district?—Yes, within two miles of the settlement.

182. Then there would be some employment for the people besides that of farming?—Yes. There is also a flax-mill there.

183. With respect to your dealings with the Land Board: what is your experience?—It has always been satisfactory. I have no complaint to make.

184. Do you think the constitution of the Land Board is satisfactory too?—I am asked to say that people in my locality would like to see an elective Land Board, for the reason that you would get the whole of the country better represented—of course, together with the Commissioner.

185. What franchise would you elect the members on?—We consider it should be with the county franchise.

186. Would you have all the members elected?—We think so.

187. Of course the Government is the landholder and ought to have a conservative voice in the settlement of its estate, and if only the tenants were represented on the Board, it might be a little one-sided: have you thought of that phase of the matter?—I have said all I have been asked to say. Possibly the people have not considered the matter from that point of view.

188. Have any of your friends had any connection with the Advances to Settlers Office?—Yes.

189. Has it been satisfactory?—Yes, as far as I know.

190. You are all pleased with your tenure?—Yes. I should like to say that we are loaded with about £1,000 for that little estate. We shall have to pay 5 per cent. for 999 years, and we consider that 1 per cent. should be set apart for a sinking fund, so as to enable us to wipe it out. There are about 14,000 acres owned by private individuals, who get the benefit of the roads for all that time. Why should we have to continue to pay for the benefit of others all that time?

191. You would be quite agreeable to pay it off by means of a sinking fund?—Yes.

192. Now that you have the roads made I suppose the rates have to keep them up?—Yes.

193. That is the County of Grey?—Yes.

194. Are your rates heavy?—Not particularly.

195. *Mr. Johnston.*] What did you say your area was?—Two hundred acres.

196. What stock do you carry on it?—About fifty head of cattle.
197. Any sheep?—About fifty sheep.
198. What is the area in grass?—Half of it is in grass. We are not confined to the settlement; there are any amount of Crown lands round about on which our cattle run. We have a river-bed which is a commonage.
199. Is the land on which you carry outside bush land?—Yes, and river-bed.
200. And you run your cattle through the bush?—Yes.
201. What could you get for your land now?—I do not know. There was some land, when the Midland Railway reservation was taken off, which was worth 12s., and which has changed hands since for £5.
202. Were there any improvements on it?—No.
203. Is it farming area?—It is fairly good land. A man bought it for the purpose of starting a flax-mill.
204. Generally speaking, what is the land there selling at? Have any sections changed hands?—Yes; one section of 150 acres changed hands for £100. The improvements consisted of fencing.
205. What was the value of the fencing?—About fifty pounds' worth of fencing. That was before the roads were completed, and before the creamery was put there.
206. What would be the enhanced value of the settlement per acre?—I should think it would be worth £5 an acre, and it was bought for £1 2s. 6d.
207. What was the settlement worth as standing bush before that, and before you went into it?—I would sooner give £4 now for it than £1 when I went into it.
208. What area can you burn there per year?—You can burn as much as is fallen. The bigger the area the better you can burn it.
209. We have evidence that it is not safe to fell a big area there on account of the bad seasons?—The scrub on our land is peculiarly light.
210. It is not heavy bush?—No.
211. What area of bush land would you fell?—I would not fall any. I would not have anything to do with it if it were heavy bush. I have seen areas fallen that would never burn.
212. You have not had any experience of it yourself?—No. You can burn the scrub on our estate easily. It is scrub land and swamp—ribbonwood, black-scrub, and vines.
213. Does the sawmilling industry interfere with the farming industry?—No.
214. Is any of the land that has been locked up for sawmilling such as could be used for farming?—No. The big timber is taken off by the sawmillers, and that is all the better for the settler. As a matter of fact, land on the West Coast with big timber on it fit for sawmilling is not of very much account for farming.
215. Do you represent the whole of the settlement?—Yes.
216. How many do you represent?—Twenty settlers.
217. You say you object to Land Boards as at present constituted. Would it do if the West Coast were divided into four districts and the Government nominated a member from each district?—I am here to represent other people's opinions. They would prefer elective Land Boards.
218. What is your own opinion?—I think the chief reason for getting men elected is that there would be a member elected from each district, and each district would thus be represented.
219. If the Government nominated a man from each district, would that satisfy you?—It would satisfy me personally.
220. Would it satisfy the other settlers you represent?—I think so.
221. Do you approve of the present ballot system?—Yes.
222. Who are the people who own the 14,000 acres of land, and what sort of land is it?—Some of it is very good land. The owners are a syndicate. They are mostly Wellington people. They bought the land from the Midland Railway Company. There is a petition to get the Government to resume the land.
223. What did they give the Midland Railway Company for it?—I think it was 12s.
224. What could they get for it now?—One pound or £1 5s.
225. It is idle now?—Yes, they will not sell it.
226. You heard what the last witness said about small grazing-runs?—What is your opinion?—I can see no objection to it.
227. Do you not think it would be far better and in the interest of the State to leave it as it is?—I should think the lease in perpetuity is best for the tenant, and the other is best for the Crown.
228. You have had no experience of any other districts except your own?—No.
229. Are the tenants satisfied with their lease as it stands?—They would like to have an opportunity of getting rid of this loading.
230. Do you know anything about the Advances to Settlers?—Yes, some of us have taken advantage of it.
231. Is it satisfactory?—Yes.
232. Has there been any increase in estates in your district?—No, not that I am aware of.
233. *Mr. McCordle.*] Is there not a large area of unsettled land in your district?—Yes, thousands of acres.
234. Owned by the Crown?—Yes.
235. Is it rough broken country?—Hilly country and heavily timbered.
236. Would it be capable of carrying grass?—Yes, some of it.
237. Under what conditions do you think the Government should part with it?—
238. Supposing they were to give it for ten years, and then at the end of forty years that it was to be revalued every twenty-one years following, do you think that would be satisfactory?—It is very

difficult to give an answer to a question like that on the spur of the moment. I should think that ten years rent-free would be an inducement to a man to take up the land.

239. What is the value of the land?—Some of it I would not pay rates on, but some of the land is not so bad.

240. *Mr. Paul.*] Do you think the Crown tenants should be specially represented on the Land Board?—Yes.

241. Would you recommend that at least one Crown tenant should be appointed to each Land Board?—Yes.

242. *Mr. Anstey.*] You say you have got good roads to your settlement?—Yes.

243. Do you know what amount of loading was on that settlement?—Somewhere about £1,000.

244. Do you know if that amount has been spent?—Yes, and more.

245. How much more?—I should think about double; but all the loading expended in the district was not for the benefit of our settlement.

246. We have had numerous complaints throughout the colony that sums have been placed on estates by way of loading, and that they have not been spent. You appear to have been particularly fortunate in this respect?—The roads were only finished last March and we have been eight years there; we have had to worry over eight years to get it done.

247. You appear to have been more fortunate than some other districts?—I should advise them to get Dick Seddon for their member.

248. Are the settlers in your district complying with the conditions as regards improvements?—Yes; they have exceeded the amount of improvements required.

249. Have you any idea to what extent?—I should think the country is about half cleared and sown down in grass.

250. What conditions have you to comply with in regard to improvements?—I think there is about 25 per cent. yet to be done, and about 50 per cent. has been done.

251. You do not find anything in the conditions of the lease in perpetuity to interfere with properly forming your land?—I do not know of any; we are quite satisfied with the lease.

252. Do mining rights clash with your tenure?—No.

253. Is there much more of that land suitable for settlement on the West Coast?—No; except the land owned by the syndicate, in respect to which we have petitioned the Land Board. There is another thing I would like to mention with respect to the back-blocks settlers. I think they should endeavour to get the Government to arrange for a doctor, by way of subsidising him or otherwise, who should be at the call of the country settlers in certain districts.

254. *Mr. Hall.*] Is the heavily timbered land on the West Coast fit for settlement under any conditions that could be made productive?—As a matter of fact the heavily timbered land has not been gone into very much; but where it has been gone into it has been very difficult to get a burn, and the second growth has come up again.

255. Is the land of such a character that it would grow grass?—Yes; a good deal of it if you could get a good fire through it.

256. Would people taking up that land like to have the right of purchase?—As far as my experience goes on the West Coast, I have not heard much about the right of purchase; everybody seems very well satisfied with the lease in perpetuity.

257. With revaluation?—No; we would not stand revaluation.

258. *Mr. Paul.*] That answer is in connection with present leases?—Yes.

259. You would not put up with any interference with existing leases as regards revaluation?—No.

260. You took up the land for 999 years and you expect the contract to be kept or that you should be fully compensated for any interference?—Yes.

261. *Mr. Hall.*] As regards future leases, do you think people would take up that land under revaluation conditions?—Yes, I think so. I think that if I could have got a lease for 999 years I would have taken it up.

262. *Mr. Johnston.*] Have you got a Farmers' Union down there?—No; we have managed to struggle along without it up till now.

RICHARD ALLAN HARCOURT examined.

263. *The Chairman.*] What are you?—I am a settler at Koiterangi, and hold 704 acres. It was originally all bush. I have got 550 acres clear. I have been there two years. It was resumed land. My rent is 2s. 6d. an acre, and I hold land under the lease in perpetuity. I like that tenure very well, but I would like the option of the freehold, and those settlers whom I represent wish the same thing. Failing this, we would like to get the option of paying off a portion of the capital value, so that in case of hard times coming over the country the rent would be diminished and the State would be sure of getting their rent.

264. In what proportion, say half?—Yes; half or 75 per cent. It would be much easier for the settlers in case of hard times occurring.

265. You have fairly good roads?—Yes.

266. Is the dairy factory in your district?—Yes; it is paying fairly well; there is a bigger output every year.

267. How many settlers are supplying the dairy factory?—The factory turns out 800 lb. of butter a day.

268. Is any of your land loaded for roads?—Yes; my land is loaded for roads.

269. To what extent?—I could not say.

270. Has the money expended been properly expended?—I think a lot of the money was wasted, and I think it would have been expended much better if it had been done through the County Council. It was done by day-wages under the Government.

271. Was the waste through the want of supervision?—No; there were too many bosses and not enough workers.

272. Was there no expostulation sent to the Government from the district?—No.

273. *Mr. Hall.*] Is there much Crown land remaining in your part of the district?—No; in the Kohatahi district it is practically all taken up.

274. Are you satisfied with the Land Board?—Yes, but I think that the Crown tenants, although it may not affect us very much in our district, should be represented. There are only a few Crown tenants there; but, I think, speaking in reference to the colony generally, the members of the Land Board should be elected.

275. Under what franchise?—The Crown tenants alone, I should think.

276. You do not think it should be the parliamentary franchise?—No.

277. In the parliamentary franchise are hundreds of people. For instance, in the Old Men's Homes. I suppose you admit it is the duty of the State to maintain such people even though they may have dissipated their money?—Yes.

278. Do you think they should have a vote in the disposal of the land of the colony?—No.

279. Then, in regard to their exercising a vote, you think that would be going rather too far?—Yes, I think so.

280. *Mr. Johnston.*] You heard what I said to Mr. Wheeler about dividing the county into four ridings, would not that suit the settlers just as well?—It would not in our district.

281. Why?—There are so few in comparison with other parts of the district who are Crown tenants.

282. Supposing that your district was made into a riding and the Government nominated the practical farmer to represent that riding, would that be satisfactory?—Yes; I think that would be satisfactory.

283. You want representation by more farmers and less merchants?—Quite so. We think that Crown tenants should have a say in the matter. It does not affect our district so much, but in other parts of the colony, where there are settlements, I do not see why Crown tenants should not have some representation on the Board.

284. Would a rent sinking fund suit—that is, in good years, for a tenant to pay any amount he liked into the fund to sustain his rent for years to come, the Government allowing him interest equivalent to what he is paying on his capital value on the balance at his credit each half-year?—Yes; that would be all right, I think, in the case of the majority of farmers I am representing. They want the option of paying off a portion of the capital value. If we cannot get the freehold, we want to get the right to reduce the rent.

285. How many farmers do you represent?—There are only seven Crown tenants there.

286. What is the kind of bush on your land?—It is scrub. It is not heavy bush.

287. Do you know of any extent of heavy bush having been felled and grassed?—No; not on good land. I have seen plenty of bush felled, but the attempt to sow grass on that milling country has been a complete failure.

288. Do the mining interests interfere with the farming interests?—No.

289. What weeds have you got down there?—There is plenty of ragwort and blackberry and gorse. There is a little Californian thistle.

290. Where do these weeds exist principally?—Along the Government roads they are worst. There are some in the paddocks.

291. Who owns the lands on each side of the roads?—The farmers.

292. Is not each farmer responsible for keeping half the road fronting his section clear of weeds?—That was the law in Taranaki, but it is not enforced on the Coast.

293. *Mr. McCardle.*] Have you personally inspected any of the lands where these bad burns have taken place?—Yes.

294. Is the surface of the ground covered with a peaty substance to any extent?—No. The land where these bad burns of the heavy bush have occurred is generally heavy sodden-clay country.

295. Are these roads under the County Council or in the hands of the Government?—They are under the County Council in our district.

296. *The Chairman.*] Is there anything else you wish to bring before us?—I want to say that we object to the grouping system. A settler may go in for a ballot and draw a section that he does not want. We think the fairest way is that a man should ballot for the section he wants. We also think that the settlers who wish to borrow money on their improvements should receive an advance up to three-fifths, the same as allowed in the case of freehold. The security should be good enough, and if it is not then the leasehold title is not as good as the freehold title. These were all the matters we discussed.

GEORGE JOHN ROBERTS examined.

297. *The Chairman.*] You are Chief Surveyor and Commissioner of Crown Lands for Westland?—Yes. I have held that position three years and a half. Before that I was chief officer there for many years. I have been thirty-two years in the Lands and Survey Department.

298. We wish to get all the information we can from you in regard to your district, and we shall be very pleased to hear any statements you have to make regarding the matters dealt with in our Commission?—I would like to preface my remarks by saying that when I received notice that the Commission were not going to visit the Westland District I put this question on one side, and as I only received short notice to come up here I am not as fully prepared as I might otherwise have been. I have prepared the following statement:—

Constitution of Land Boards.

(a.) "The Westland Land Board affirms the principle of the appointment of members by the Governor, as at present defined by section 41 of "The Land Act, 1892."

If elective, in our scattered district, it would result in certain localities dominating the outlying settlements as few even of them would or could conveniently vote, &c.; again the views of those in the well-roaded, established districts, would not suit for the advancement of new country. A member continually representing one district would, even against his inclination, be biassed in favour of his own locality. Probably, if the principle of "election" were established, the towns would be cut out and we should then lose the valuable services of men whose business training and long acquaintance with commercial matters affecting the settlers all over the country especially fit them to settle certain points, in fact, we consider the Board would not be thoroughly equipped nor completely representative without them. So far no appeals against the decisions of the Westland Land Board have been even made to the Minister, nor has any desire as yet been expressed that any change in the principle of the appointment of members should be made. (The principle "that all members be appointed by the Government" was carried at the conference between Minister of Lands and Commissioners and Land Board members, held at Wellington in December last: see printed Proceedings, p. 47.)

(b.) "That the number of members be increased to five."

This we esteem to be necessary, so that the Board may be more representative than at present; that is, our members could be selected from a wider area. Besides the settlers on the coast, we have the saw- and flax-millers, coal lessees, and the gold-miners, all of whom, we may say, are directly in touch with the Land Board. Again, with the present number of only four members, there is sometimes a difficulty in obtaining a quorum. (The above motion for five members was negatived by the conference: see Proceedings, p. 47, (B).)

(c.) "That a sum of £1 ls. per day be paid to each member of the Land Board, whether he be absent from his place of residence or not."

Our desire is to pay each member a somewhat fair wage for not only performing very important duties, but as a partial remuneration for their loss of time on public business, for it must be remembered that none of our members are leading retired, easy, rosy lives, to whom the Land Board business would be somewhat of a "recreation," but they are all engaged either in farming or commerce. At present only country members are paid. (The above motion was agreed to by the conference: see printed Proceedings, p. 47, (C).)

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 following are the tenures upon which lands may be obtained in Westland: Cash (on the optional system, under Part III. of "The Land Act, 1892"); occupation with right of purchase (on the optional system, under Part III. of "The Land Act, 1892"); lease in perpetuity (on the optional system, under Part III. of "The Land Act, 1892"); lease in perpetuity (under "The Land for Settlements Consolidation Act, 1900"); village settlements (under Part IV., section 169, subsection (4) of "The Land Act, 1892"); occupation license (under Part II., section 116, of "The Land Act, 1892"); pastoral runs (under Part VI., section 187 of "The Land Act, 1892"); temporary grazing license (under Part VI., section 219 of "The Land Act, 1892"); occupation license (under Part VII., section 222 of "The Land Act, 1892"); regulations for the occupation of pastoral lands within the Westland Mining District; reserves (leases of), (under Part VIII., section 243, subsection (1), and section 248 of "The Land Act, 1892"); leases under "The Mining Districts Land Occupation Act, 1894."

(a.) Cash (on the optional system, under Part III. of "The Land Act, 1892"); and with this I will take (b.) occupation with right of purchase (on the optional system, under Part III. of "The Land Act, 1892").—The whole of Westland is a mining district—I wish to emphasize that—and, therefore, great care has to be exercised in dealing with lands for cash or occupation with right of purchase, as in the event of payable gold being discovered on any of these permanently alienated areas, the resumption of such auriferous country by the Crown causes much vexatious trouble, delay, and expense. Therefore all settlement blocks are referred to the Warden for his approval before being placed in the market, or before any grant is given by the Land Board. Hence our cash lands are limited to a few town and village allotments, and one or two small isolated blocks which do not abut on any of our numerous goldfields, while the occupation-with-right-of-purchase system is now practically non-existent.

(c.) Lease in perpetuity (on the optional system, under Part III. of "The Land Act, 1892").—This tenure, quite apart from its many other admirable features, exactly suits this district, as it is quite a simple and inexpensive matter to immediately resume any lease-in-perpetuity leasehold should the interests of the gold-miner demand it. Consequently all our new settlement lands are being thrown open solely under this system, and are being eagerly taken up.

(d.) Lease in perpetuity (under "The Land for Settlements Consolidation Act, 1900").—We have only two land-for-settlement blocks in Westland, viz., the Kokatahi and Poerua Estates, both of which are flourishing under the lease-in-perpetuity system, there being no arrears of rentals on either of them.

(e.) Village settlements (under Part IV. and section 169, subsections (3) and (4) of "The Land Act, 1892").—So far, we have only dealt with two small townships and four homestead allotments under this section of the Act. The sections in the Town of Runanga, which overlies the coal-measures at the State Coal-mine, near Greymouth, are leased as village-homestead allotments on lease in perpetuity, as, in view of future possibilities, it would be inadvisable to deal with the area in any other way.

(f.) Occupation license (under Part II. and section 116 of "The Land Act, 1892").—Under this section a large number of isolated patches of Crown lands, and also small reserves, are leased for grazing-

purposes. It will be noted that the term is only yearly, and that the lease can be determined at any time without entitling the licensee to any compensation whatever. They have their eyes fully open to that fact. It is thus a very convenient way of dealing with lands which are reputedly auriferous, and with reserves for which it is not prudent to grant long leases. At the same time it is a poor title, and gives no encouragement to the licensee to improve his holding. A recommendation to remedy this was made by the conference held last December in Wellington; it also covered all those holding under section 219.

(g.) Pastoral runs (under Part VI. and section 187 *et seq.* of "The Land Act, 1892").—Our pastoral runs, varying from 4,000 to 35,000 acres, with the exception of a few areas of summer sheep-country, occupy the heavily timbered slopes of the lower hills, the river bottoms, and the costal lands, where large herds of cattle are bred and fattened on the dense undergrowth of the forest. The usual term is ten years.

(h.) Temporary grazing license (under Part VI. and section 219 of "The Land Act, 1892").—Except that the term may be three years instead of one, licensees under this system are placed in the same position as those occupying under section 116. During the Midland Railway Company's *régime* this was the only method of settling people on the land, and even now it is the only way we can give a right to occupy areas which are deemed to be auriferous or which contain milling-timber. The Commission will especially note that we specially prohibit any of these lessees from injuring or cutting any milling-timber on their leaseholds.

(i.) Occupation license (under Part VII. and section 222 of "The Land Act, 1892").—Under this section we lease allotments of varying areas for flax-milling and other industrial purposes.

(j.) Regulations for the occupation of pastoral lands within the Westland Mining District.—These are an adaptation, by the Under-Secretary of Lands, of similar regulations framed by him for the Auckland District, and they have been of great service in promoting settlement in Westland. Many holders under the trumpery and precarious titles granted under the 116th and 219th sections (noted above) have surrendered these and now hold under these new regulations which, while safeguarding the interest of the gold-miner and sawmiller, yet provide our settlers with a twenty-one-years lease with renewal terms, a homestead area, and the right to limited compensation should the area be required for mining or any other public purpose.

(k.) Leases of reserves (under Part VII., section 243, subsection (1), and section 248 of "The Land Act, 1892," and under section 23 of "The Public Reserves Act, 1881").—We have only a few reserves leased under these Acts, and, as the leases expire, we prefer not to renew them but to release the areas under section 116, so that there is less trouble in resuming the land if necessary.

(l.) Leases under "The Mining Districts Land Occupation Act, 1894."—This Act provides for the settlement in small areas of lands within any mining district, and is especially applicable to blocks which are contiguous to gold-workings. It is an admirable measure, as it enables our miners to combine farming on a small scale with their original avocation. So far, it has not been taken much advantage of here, owing to the minimum rental fixed by the statute being too high for this district; reference will be made to this aspect of the case later on.

The foregoing is a brief summary of the tenures obtainable in Westland, and, we consider, sufficiently indicates their applicability to the district. The Commission will, however, have noted that we do not deal with any lands under Parts IV. and V. of the Act, viz., as "special-settlement associations" or as "small grazing-runs," the reasons again for this being that the minimum rentals fixed by statute are too high. We will allude to this further on.

Improved-farm settlements (under "The Lands Improvement, &c., Act, 1894").—We have been consulted by the Head Office with regard to the establishment of these, but we could not advise the experiment in this district, nor have we ever received a local request.

We now come to the second paragraph in this heading—that is, "whether in the interests of the colony any alteration of the law is desirable."

That certain minor and, for the welfare of this district, very important alterations of the several laws dealing with the settlement of our people on the land are necessary is self-evident, and were very fully and favourably discussed by the conference of the Minister and Land Board members which met lately in Wellington. These will be placed seriatim before the Commission when we deal with item No. 5, under which heading we consider they are included. We, therefore, presume that this second paragraph of item No. 2 refers to the question as to whether any alteration in the principle of the law is desirable. My brief answer to that is, that no such alteration is desirable in Westland. The problem of comfortably settling the people on the land in Westland is very complicated, and at times very troublesome. All over the Coast, wherever we make our numerous attempts to set apart blocks for settlement, we have to carefully see that the coal-miner, the gold-miner, the sawmiller, and lumberer are thoroughly protected; not only so, but we have to be equally careful in safeguarding the various areas which are reputedly metalliferous and the vast acreage of milling-timber which, in the near future, will employ thousands of miners and lumberers, and thus form markets not only for our own farmers, but for the rest of the colony. And, complicated as our task is, yet our laws are so elastic and so admirably adapted to our circumstances as to enable us to successfully meet the many difficulties which crop up. We, therefore, see no reason whatever for any alteration in the principle of the law, and most especially do we see no good and proper excuse for tampering with the conditions contained in the lease-in-perpetuity system as applied to the Land District of Westland.

Hitherto we have heard no complaints from our tenants concerning this tenure; but, on the contrary, they have admitted that but for the liberal provision of the lease-in-perpetuity system, they would never have succeeded as they have done. Apart from all hearsay on this subject, the actual feeling of our tenants is clearly indicated when I tell the Commission that, in this small district, there are nineteen holders under perpetual lease and occupation with right of purchase who are entitled to acquire the freehold, and yet who elect to go on paying rentals instead.

I wish most emphatically to tell the Commission that our eager desire has been, and is, to get the people settled on the land, and to so place them that they can not only make a bare living for themselves and families, but that they can by due industry and thrift make a moderate independency, and thus be enabled to comfortably enjoy the autumn of their lives and also to settle their sons around them. And, in order to bring this about and to induce settlement in this tangled wilderness, we have deliberately offered the Crown lands to the public at as low a price as is equitable, on lease in perpetuity; whereas if we had thrown these lands open for cash or on occupation with right of purchase, we should have increased our values, as we would reckon that the men who want the luxury of a freehold can afford to pay for their choice. Consequently, I consider that the whole question of values will have to be reviewed if our lease-in-perpetuity tenants are hereafter empowered to acquire the freehold of their lands.

3. "Whether Crown tenants labour under restrictions inimical to their well-being and unnecessary in the interests of the State."

In the Westland Land District, tenants who occupy lands under "The Regulations for the Occupation of Pastoral Lands within the Westland Mining District," at the end of twenty-one years, are so restricted as to the maximum amount payable as compensation for improvements as to prevent the making of the area the real homestead of the selector and thus retard full improvements being made. As I noted under item 2, these are most admirable regulations and have conduced to the settlement of much land, especially by miners who are now combining mining with farming. If a more liberal clause were made with regard to compensation for improvements, it would encourage the present holders very much.

(a.) Tenants occupying pastoral runs complain that the maximum amount which, under the terms of their license, may be awarded to them as compensation for improvements on the expiry of their lease is too inadequate.

Take the case of a run of 10,000 acres, rental £10. The maximum allowance for improvements under the Act as at present would be only £50. As the Commission is aware, the pastoral runs here are all in bush country, and only suitable for cattle. Under the present conditions, the valuation for improvements allowed a pastoral-run lessee was, as shown above, only nominal. The result is that tenants will not improve their runs under existing circumstances. If a settler were granted a license over a pastoral run for a term of ten or twenty-one years, as the case might be, and went in for improving the carrying-capacity of the run he would soon spend more than the amount he was entitled to at the end of his term. If the licensee had improved his run, and the time came when the area had to be reoffered for another term, he would find perhaps that he had to bid to a very high rental to save his improvements. Thus, by improving the land and increasing the carrying-capacity he runs the risk of losing money on account of improvements, or of otherwise being run to a very high figure per annum for the next term, while the tardy settler who does not improve his run, and did not thereby bring it into prominence, is not likely to be opposed at auction. In other words the enterprising runholder who reclaims his leasehold simply invites loss by hostile competition, whereas the easy-going tenant leaves the run probably less valuable at the end of his term, and thus actually prevents opposition. If encouraged in the way of improvements, the licensees of this valuable class of country in the various districts would feel secure in improving their runs in the way of clearing, surface-sowing, fencing, &c. Perhaps such valuation for improvements as is given in the case of small grazing-runs (section 182, subsections (a) and (b)) might meet the case. Under item 5, No. 9, will be found a proposal in connection with this matter, which was approved by the conference.

(b.) Tenants of flax-cutting areas complain that, in view of the expense of establishing a mill, erection of tramways, wharf, &c., and the difficulty and cost of shipment, seven years is too short a term, and that the area fixed by the Act is also too small.

This is a well-grounded complaint, and with a view of still more encouraging this valuable local industry, under item 5, No. 11, will be found our proposal to remedy this drawback. We need hardly refer to the importance of this industry as a source of revenue to the Crown, as providing local markets for our outlying farmers, as using up much labour, and, in the way of trade, &c., advancing the interests of the district.

(c.) Occupiers who are desirous of extending their holdings by obtaining small areas of adjacent lands, without competition (as provided in sections 114 and 117 of "The Land Act, 1892"), are debarred from doing so on account of the minimum price being too high, and under section 117 prohibitive, as being for cash, and therefore not allowable on the goldfield. The present definition of "contiguous lands" also prevents expansion.

We have many selectors who, in the course of years, have overtaken the reclamation of their original holdings, the produce of which, conjoined with gold-mining, sufficed for their wants. But now that they have to depend almost wholly on farming they find the area too small for their support, hence their desire to extend their boundaries. We found their case so true and reasonable that we endeavoured to remedy their position by two proposals which were approved by the conference, and are noted under item 5 as Nos. 4 and 5.

(d.) Temporary grazing licenses under section 219 of "The Land Act, 1892" (see item 2, paragraph (b)).—On the Westland goldfields, many scattered areas contiguous to gold-workings are leased under the above section for a term of three years, with right of resumption on demand and without compensation for improvements. Hence, many of our tenants dare not launch out into any improvements of value, because they are liable to lose the whole of their labour at an hour's notice. It is strongly urged that this stringent condition with regard to compensation should be liberally modified.

This request comes from those occupiers who cannot obtain the permission of the Warden to obtain any other title, because, as noted above, the land is either actually auriferous, may possibly prove so, or may in many ways be required for mining purposes at any time, and it is therefore often impossible

to give another title. Still, we are quite in sympathy with the request, and consider that it is extremely hard that a man who has, even with full knowledge of the case, risked the reclamation of an area of waste land should be turned off without any compensation whatever. We would, therefore, respectfully suggest to the Commission that, in the event of any license under the 219th section of "The Land Act, 1892," being determined for mining purposes, compensation up to a maximum of £50 be awarded for all direct improvements to the land other than buildings, and that the Warden and Commissioner for the district appraise the improvements, and that their decision be final and without appeal.

4. "Whether the residential conditions now existing are too exacting and require relaxing, and, if so, in what direction."

The occupation-with-right-of-purchase and lease-in-perpetuity lands of the colony are out of the reach of a most deserving and really eligible class of selector. At present, the townsman cannot place his sons on our Crown lands under those tenures because of the age and residence conditions; he may be willing to give any reasonable guarantee (say double or even treble the improvements required under the Act), but he is debarred. The framers of the Act, in their desire to prevent "dummyism," have actually hindered the town-men from placing their sons upon the land, although the fathers were willing to place a manager with them and enter into a bond to fulfil any conditions. The risk of dummyism could be reduced to nil, by insisting upon extraordinary improvements, permitting no transfer for, say, ten years, all or which are conditions which the *bona fide* town man would undertake willingly. We believe that there are numbers of men in our large towns who would gladly take up such a lease while their sons are learning farming, and who would improve their holding in any such manner as the Land Board might direct.

So far, we have not heard of any complaints under the above heading (4), for throughout this district our tenants have loyally complied with the residential conditions, and the reports of our Crown Lands Rangers bear this out. The discretionary power conferred by the Act enables the Land Board to modify these conditions where they have full proof of the special necessity for the concession and also of the *bona fides* of the applicant. We would respectfully suggest that the Land Boards be still further empowered to enable the satisfactory settlement of all residential troubles.

5. "Also, if 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."

The following resolutions to amend the law were agreed to by the conference held at Wellington in December last, and these were set forth to further the comfortable settlement of the Westland Land District, to encourage the more complete cultivation of holdings, and to induce selectors to take up settlement lands.

(1.) "That within the Westland Goldfield, when an applicant desires a holding under lease in perpetuity over any lands reputed to be auriferous, the present law be so amended that in all such cases evidence be taken before the Warden as to whether the area be auriferous or not."

The whole of the Westland Land District is a goldfield, and as such it has been deemed advisable to conserve any possible auriferous country by limiting the selection of any agricultural lands to lease in perpetuity, under which tenure the leaseholds can be resumed very readily if the areas are required for mining purposes; and any such settlement lands are only set apart by recommendation of the Land Board, with the concurrence of the Warden. The miners are thus carefully safeguarded against any encroachment by settlers and speculators on lands which are reputably auriferous. While still recognising the necessity for the maintenance of these areas for the preservation of the gold-miners, who are the mainstay of our farmers, we are of opinion that the time has now arrived, in view of the more precise knowledge of each locality, for a careful revision of the position of scattered areas of so-called auriferous lands from which at present all permanent settlement is barred. For nearly forty years a considerable acreage of agricultural country has been closed against farming operations because such lands were deemed gold-bearing, and must therefore be kept intact for exploitation by the miner. In the Grey and other valleys there are large areas of land, which for nearly forty years have been called "auriferous," which have been taken up for speculative purposes every time a mining revival set in (notably during the dredging boom), have been prospected more or less, and abandoned. The whole of these lands for forty years have thus been lying almost waste, and will be for another forty if this embargo is not lifted. I would, therefore, respectfully suggest that when an applicant desires a holding under lease in perpetuity over any lands reputed to be auriferous, the present law be so amended that in all such cases, evidence be taken before the Warden as to whether the area be gold-bearing or not, and that the Warden decide accordingly, and not, as at present, on the bare report of an official, who is sure to sin on the safe side, and, hearing that the land was auriferous years ago, informs the Warden that it is equally so to-day.

(2.) "That legislation be made to enable selectors under 'The Regulations for the Occupation of Pastoral Lands within the Westland Mining District' to exchange their leases for a right under the lease-in-perpetuity tenure."

In my notes on item 2, paragraph (j), concerning tenures, I have already described these regulations and their relation to this district. Many of these holders already occupy small adjoining areas under permanent tenures, and they are anxious to have a similar title for the lands they now lease under these regulations. And we see no reason why this exchange should not be granted, always provided that due public notice is given, and that the Warden's concurrence is obtained. Special legislation was enacted to enable holders of temporary leaseholds taken up during the Midland Railway embargo to acquire more permanent titles, and this was done, to the great satisfaction of our tenants and without the slightest injury to the miner. In the above resolution we simply ask for a similar reasonable concession.

(3.) "That the minimum rental of small grazing-runs within the Westland Land District shall be £1 per 1,000 acres."

This admirable tenure is completely useless for Westland, owing to the minimum rental being far too high. According to section 173 of "The Land Act, 1892," the lowest rental allowable on, say, 1,000 acres would be £6 5s., which in our rough forest land is absolutely prohibitive. After our explanation of our special position, the conference at once endorsed the above proposal.

(4.) "That within the Westland Land District the minimum price for all lands, other than land-for-settlement estates and pastoral runs, shall be 5s. per acre."

This affects sections 114 and 117 of the Act, and the reduction is necessary to enable us to deal with applications under these sections wherein the minimum price is fixed at £1 per acre, which is too heavy for the bulk of our lands, and thus prevents many of our old deserving settlers from extending their holdings.

(5.) "That within the Westland Land District the contiguity of lands which are further apart than an ordinary separation by road or stream be determined at the discretion of the Board."

Under section 142 of "The Land Act, 1892," power is given to the Land Board to determine what are "contiguous" lands, in connection with the question of residence. But we especially desire that the Board should have the same discretionary power in connection with the definition of the "adjoining" of allotments, as, for instance, *inter alia*, in the cases governed by sections 114, 117, 153, and 158 of "The Land Act, 1892."

(6.) "That within the Westland Land District, in connection with selections of unsurveyed lands, the Land Board be empowered to dispense with a whole or a portion of the estimated cost of survey."

This can be done at present under section 2 of the Land Amendment Act of 1895, with the Minister's approval. But this only applies to cases under Part III. of "The Land Act, 1892"—viz., the optional system. We would suggest that it should also apply to cases which may arise under section 115, and also to Parts IV., section 165; V., "Small Grazing-runs"; VI., sections 211, 219, and 217; and also to any cases under Part VII. of "The Land Act, 1892."

(7.) "That within the Westland Land District the Land Board shall determine the value of improvements to be effected on any small grazing-run."

This is to enable us to modify the value of the improvements as fixed by section 179 of "The Land Act, 1892," and thus render this tenure available for this district.

(8.) "That, in the event of the resumption of land from any pastoral run in the Westland Land District, it be sufficient to give the lessee three months' notice if the area to be resumed is under 500 acres, six months, if between 500 and 1,000 acres, and twelve months if over 1,000 acres."

At present under section 192 of the Act, we have to give twelve months' notice if we require even a small area out of a run for settlement, and, as these runs are only sparsely occupied by cattle, it entails no hardship or loss to the runholder when for more speedy farming occupation we curtail the period of the resumption notice. In many instances, after resumption of land from a run and consequent rebate of rental, only a small area was taken up by the public, and the balance went back to the runholder at the ordinary rental.

(9.) "That within the Westland Land District, subject to the right of resumption for close-settlement purposes, all pastoral runs to be leased with renewal terms, contingent upon due and equivalent improvements having been made."

Under item 3, paragraph (a), I have probably indicated sufficient reasons for the above proposal.

(10.) "That within the Westland Land District and Goldfield, where the approval of the Warden is obtained, all holders of temporary grazing-leases under the 219th section of "The Land Act, 1892," shall have the prior right to exchange their titles for a right under the lease-in-perpetuity tenure."

Kindly see my note upon proposal No. 2 of this item, which covers practically the same ground as this proposal, and for the same reasons. As noted before, many such holders obtained permanent titles under "The Midland Authorised Land Settlement Act, 1900."

(11.) "That within the Westland Land District all flax-milling areas should be leased at the Board's discretion, in forms to be by the Board prescribed, for such area as the Board may direct, and for a term of fourteen years."

Under item 3, dealing with "restrictions," paragraph (b), I think, completely sets forth our reasons for this proposal.

(12.) "That the Land Board of the Westland Land District be empowered to grant any application under the Mining Districts Land Occupation Act for any area not exceeding 500 acres."

This is a proposed modification of section 6, subsection (1), of this Act, which I have no doubt is a most important and convenient statute in other mining districts, where land was of good quality and under the influence of a harvesting climate. But in this district this fine Act is virtually useless, mainly because the minimum rental was too high and the maximum area too small. Under this Act a man cannot get a lease under 6d. per acre, nor hold more than 100 acres. The bulk of our lands adjacent to gold-workings will not possibly pay at that rate, nor can a living be made off 100 acres. We cannot grow wheat or barley in Westland, so the farmer must mainly depend on pasture-land for a living. In proof of this, I may state that, despite the anxiety of so many men to obtain good titles to their present precariously titled holdings, only four leases of these lands have been applied for under "The Mining Districts Land Occupation Act." We want the Act made applicable to our district, when numbers of people would take advantage of it.

6. "Also, whether it is expedient that the homestead privileges as indicated in the Appendix to "The Land Act, 1885," should be reintroduced."

At the conference of Commissioners and Land Board members, held at Wellington in December last, we stated we considered that the reintroduction of the homestead system would be most desirable within the Westland Land District, and to that end we made the following proposals, which were all duly approved:—(a.) That the following conditions shall apply to all selections under the homestead system in the Westland Land District. (b.) The area to be allowed to be selected by each person of

the age of seventeen years or upwards shall be 200 acres, and for persons under seventeen years of age 100 acres: provided that the total quantity to be selected by any one family or number of persons occupying the one household shall not exceed 1,200 acres. (c.) Within six months after the selection has been approved by the Board, the selector shall commence to reside on his selection, and shall continue to reside continuously thereon for five years from the date of such approval as aforesaid. (d.) Within three years after such approval, the selector shall erect on his selection a permanent dwelling-house of wood or other materials, which shall be specified in regulations to be issued in reference to homestead-system selections. (e.) In each year there shall be brought under cultivation one twenty-fifth of the area of such selection if under 500 acres, and one-fiftieth if over 500 acres, so that at the end of the term of five years one-fifth of the selection shall be under cultivation. (f.) Non-performance of any of the foregoing stipulations shall render the selection void, and the right of the selector therein, and to all improvements thereon, shall be forfeited. (g.) At the end of the said period of five years, a lease or leases shall issue for the land selected—the said lease-terms to be in regulations noted in condition (d): provided the selector shall not have forfeited his right thereto in manner aforesaid.

In moving the above proposals at the conference, I stated that I based my opinion as to their desirability upon the following reasons: In the Westland District we have scattered areas of poor country which would repay the efforts of energetic men if the conditions of settlement were made to fit the locality and circumstances. Such areas of land will never be selected except in some such manner, and there is no intention of applying the system to any blocks which could reasonably be dealt with under any other close-settlement tenure. It often happened that some enterprising settler had explored a mountain valley and found a portion of it suitable for settlement and cattle-feeding. He next made application to the Land Board to have the areas thrown open. The consequence was that when the whole matter had become advertised to the public, some outsider outbid him for the pastoral lands and wiped him out at the ballot for the other land. He thus lost all the time, money, and hardship which his exploiting the country had cost him. Again, many of the far-back lands have been exploited and settled on by an indomitable pioneer, and it had been suggested as a most suitable course that such a man and his sons should be allowed to select a reasonable area without competition before the land was thrown open to the general public. Here, provided the land is not too high class, we have through the homestead system the means of meeting such cases. The matter of priority of choice, as in the foregoing instance, the prices of the homestead blocks, and any other proper conditions could all be settled by the Board in accordance with suitable regulations for the carrying-out of the system. The area to be granted would have to be fairly large in Westland, but no good land would be allowed to be taken up under this tenure. The Commission will especially note that our proposal is to give a lease, and not a freehold, to the man who complies with conditions, and our reason for this is that we must look out for our goldfields and not give the land away—it must be leased. I must draw the attention of members to the great help to close settlement which has followed on account of the application to this district of the Bush and Swamp Crown Lands Settlement Act, the liberal provisions of which approximate to the principles of the homestead system.

7. "As to the working of the present ballot system, and the dealing with applications for land."

My experience of the present ballot system has been wholly within the Westland District, and is therefore somewhat limited, but the inadequacy and inequality of the existing methods lead me to suggest for consideration the following proposals, which are identical with those on page 15 of Parliamentary Paper C.-8, on "The Land-ballot System."

"As to the working of the present ballot system":—

(1.) That in the case of any lands being thrown open for sale or selection under the optional system, or in the case of any land-for-settlements estate, the Land Board shall define the district from within which only applicants shall be eligible for the first ballot, always provided that such applicants shall have been resident in the said district for a period of five years. (In the case of small blocks or estates being offered there the Land Board may restrict the application district to a small area around those lands; and in the case of large blocks or extensive estates, the application area might be noted as extending to the whole Island or colony. In some instances, old residents who have been the pioneers of a district, and who have been looking forward for years to obtaining a section either for themselves or to settle their sons close to the old home—I say, these old settlers have frequently seen men from other districts, new arrivals from other colonies, by the haphazard of a mechanical ballot obtain the cherished and hoped-for allotments, and these old colonists or their sons have been compelled to leave the old locality and seek their fortunes elsewhere.)

(2.) That, in the case of settlement estates, no relatives or the immediate connections of the person or persons from whom the estate was purchased shall be eligible for the first ballot, but that any of these may be allowed to make subsequent application. (In a recent ballot four sections out of seven were obtained by the sons-in-law, &c., of the man from whom the estate was bought. We have had experience of cases where several members of a family have swamped a ballot and excluded many other applicants. In one particular case lately, three brothers and one sister were all successful in drawing sections, whilst other individuals were thrown out. In another case several members of a family put in applications specially against another single applicant, and obtained the coveted allotment.)

(3.) That married men having a family should have preference at the first ballot over single men or men without family.

(4.) If any applicant is unsuccessful at the first ballot then such applicant shall have two chances at any subsequent ballot; and, failing for the second time, the applicant shall ballot with others of the same class only at any following first ballot, the intervals between each ballot being not more than six months.

(5.) That any male applicant of the age of sixteen and upwards under the optional system, and of nineteen and upwards under the Land for Settlements Acts, be allowed to apply, provided that some person who is landless be responsible for such applicant until he comes of age—depositing security,

&c. That such under-age applicant reside continually on the land and be not allowed to transfer until he is twenty-six years of age, and the conditions have been fully complied with, &c. We have had several applications for sections on estates by applicants under twenty-one years of age. Some of these applicants were educated at Lincoln College; their fathers and brothers were storekeepers who were landless, and were most anxious to have these young men settled on the land, but were debarred by the present regulations.)

(6.) That power be given to the Land Board, after due examination of applicants in committee, to reject any applicant without giving any reason for so doing, and that their decision be final and without appeal. (In our experience it has happened that, after due and searching examination of an applicant, the Land Board was reluctantly obliged to accept him as an "approved applicant," although we were all morally certain that he was propped up and supported by—in fact, was simply acting for—another man; yet we could not actually prove this. Again, an applicant might, for other reasons, be a very undesirable person to thrust amongst respectable, well-doing settlers, and it would be very commendable that the Board should have power to shunt such a character without further complications (such as appeal or giving reasons, &c.)

(7.) That the system of the grouping of sections be abolished, so that any applicant may have the right to select any section he chooses.

(8.) That only one member of any family be allowed at the first ballot for any lands whatever. (This is to prevent the monopoly of sections by a family to the exclusion of others. For instance, an application is made to have lands thrown open in certain localities—say, out of a run, &c.—and forthwith all the members possible of an interested family send in separate applications, and often completely overwhelm isolated applications. See also note to suggestion No. 2)

The foregoing suggestions have reference only to the first ballot for any sections whatever, and all remaining lands should be open to the general public immediately after the declaration of the first ballot, or the day after allotments have been declared open for selection.

Second, the dealing with applications for land:—

"In connection with the dealing with applications for land, we would urge that clause 6 of our suggestions regarding the ballot system be adopted for all applications, or some modification of it in that direction." "That some discretionary power be given to the Commissioner to refuse to file any application which is plainly informal." "That, if possible, an alteration be made to section 60 of 'The Land Act, 1892,' where the Board is directed, in the event of refusing to receive an application, to 'cause an entry to be made in its minutes of the ground on which such refusal was made.'"

The Board frequently consider certain applications in committee, and it is often inexpedient to give their reasons for refusal publicly, and we think it should be a sufficient entry that the refusal was made "in the public interests." At any rate, no reason should be published unless an appeal is made against the decision of the Board, as provided in section 53.

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."

In the Poerua Settlement the area of lands loaded for roads was 3,230 acres; the amount of such loading, £936; the amount expended on roads in or giving access to area so loaded, £2,971. In the Waitaha Block the area of lands loaded for roads was 4,270 acres; the amount of such loading, £1,341; the amount expended on roads in or giving access to area so loaded, £1,974. The £2,971 was partly spent in the construction of the main road from Teremakau to Grey Valley, which bordered and passed through a portion of the estate. The £1,974 has completed access to the block and has also provided for an access-road to adjacent Crown lands in the Upper Waitaha Valley, which are about to be thrown open. Good faith has been kept in regard to the roading of the above blocks. The amount borrowed was £1,341, and the whole of it has been spent and there is therefore no money available. Mr. Harcourt inadvertently made a remark to-day that the Kokatahi Block was loaded for roads. We happened to have a main road running right up through the block, and no charge whatever was made for that.

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."

Locality.	Value of Land when leased from the Crown.			Value of Land at its Last Valuation.		
	Per acre.			Per acre.		
	£	s.	d.	£	s.	d.
Grey Valley	0	10	0	0	17	6
Ahaura Valley	0	7	6	0	10	0
Te Kinga Valley	0	10	0	1	0	0
Teremakau Valley	0	7	6	0	10	0
Arahura Valley	0	10	0	0	12	6
Hokitika Valley	0	17	6	2	0	0
Waitaha Valley	1	0	0	2	0	0
Wanganui Valley	0	15	0	1	10	0
Wataroa Valley	0	10	0	1	0	0
Waiho Valley	0	12	6	0	15	0
Cook Valley	0	10	0	0	12	6
Karangarua Valley	0	15	0	0	17	6
Mahitahi Valley	0	10	0	0	12	6
Paringa Valley	0	10	0	0	10	0
Haast Valley	0	10	0	0	12	6
Okuru Valley	0	10	0	0	12	6
Arawata Valley	0	10	0	0	10	0
Average Values	£0	11	6	£0	17	9

I found that a very complicated matter. When we went through the country last we found such a disagreement that we had to hold a conference between the Rangers, surveyors, and others, and this is a fair approximation of the present value.

It is evident from the records of dealings in connection with advances required by leaseholders in the Westland District that the lessees of the Crown are placed at a disadvantage in borrowing privately or from the Advances to Settlers Office. Again, we had some trouble to get information from them.

The settlers in this district were never so well off as at present. This is mainly due to the establishment of butter-factories; coal and gold mines; saw- and flax-mills; also providing splendid local markets for produce of all kinds. There is more stock this year than heretofore; more stud animal, imported; cream-separators and improved agricultural machinery and implements introduced; more bush fallen, and a greater area laid down in grass; new and commodious houses and outbuildings are being built all over the Coast, and on the 31st May there were no arrears on any holdings, either on ordinary Crown holdings or on the Settlement estates. Perhaps, apart from the fact that our Crown tenants are not in arrears with their rentals, this is also a very satisfactory position: that during the last ten years only one farmer has become bankrupt, and sickness and family affliction accounted for his deficit.

Cash.—There are only 61 occupiers under this tenure, under "The Land Act, 1892," with a combined area of 5,976 acres, or an average of 98 acres to each purchaser. It will be especially noted that these cash selectors only purchased small areas. Several of these have adjacent pastoral runs, &c., and are, in the main, fairly successful men.

Occupation with Right of Purchase.—Under this tenure there are 103 holders, with a total area of 17,310 acres, being an average of 168 acres to each selector. With the exception of a few selectors in out-of-the-way districts, the whole number occupying under occupation with right of purchase are successful farmers.

Lease in Perpetuity.—333 selectors occupy 31,391 acres under this tenure, being an average of 95 acres to each lessee. This is due to a number of people taking up land contiguous to the State Coalmine. The bulk of these settlers are thriving and prosperous; even the unskilled farmers amongst them are making a fair livelihood.

The above are the tenures under the optional system.

Lease in Perpetuity under the Land for Settlements Act.—We have only two areas under this Act—viz., the Poerua Estate and the Kokatahi Estate.

Poerua Settlement.—The whole area of this estate is in active occupation and in a very satisfactory condition. The settlers are very contented, fairly prosperous, comply most willingly with the statutory requirements, and are not in arrears with their rentals. A station, "Roto Mana," has been placed on the railway which skirts the estate, and the access-road to it has been completed this year, thus enabling stock and produce to be readily delivered. A creamery has recently been set up in a most substantial building. This contains an up-to-date plant, comprising an Alpha-Laval separator, with 6-horse-power engine, powerful boiler, and pasteurizer. The settlers are fast improving their holdings; new houses have been erected; roomy sheds built; paddocks well fenced; and where a short time ago some swampy portions were impassable, now cattle are grazing all over them. Orchards are beginning to fruit, and one settler rails large quantities of splendid vegetables; some stud stock has been obtained, and great efforts are being made to secure a good class of milking-cows. Last year we intimated that this settlement would progress prosperously, and we again venture the same prediction. The following figures may prove of interest: Area purchased, 3,230 acres 1 rood 6 perches; number of occupied sections, 19; total population, 61; numbers of stock—sheep 635, horses 49, cattle 721, pigs 103; area in grass, 1,549 acres; area in white and green crops, 22 acres: requirements of Act, £1,470; how far complied with, £5,840: arrears of rental, nil.

Kokatahi Settlement.—This settlement is wholly occupied and is in a very flourishing position. Good, well-built houses and steadings stand on each holding, many of these being very roomy and substantial. The fencing has been put up to last and is very creditable. Orchards are growing apace; a greater area is now under cultivation; more clearing and draining has been done; and, in every way, the various homesteads are fast acquiring a prosperous and comfortable appearance. Five of the tenants are supplying the local dairy factory with milk, with very remunerative results; all have the regulation milk-stands and pumps and other dairy-utensils. Stock is increasing in numbers and quality owing to much enterprise in those directions. The root-crops this season, with the exception of potatoes, have given splendid results, and the oaten and grass hay has been saved, practically without getting any rain. The estate is undoubtedly prosperous, and the tenants all speak hopefully of their prospects. It is expected that twice the present number of cows will be milked next season, and, as all the settlers have abundance of grass and turnips, as well as good hay both in stack and shed, there will be an ample sufficiency of feed for the winter. The following statistics set forth the present position: Area purchased, 1,894 acres 2 roods 20 perches; number of occupied sections, 7; total population, 21; numbers of stock—sheep 260, horses 19, cattle 415, pigs 128; area in grass, 1,588 acres; area in white and green crops, 63 acres: requirements of Act, £184; how far complied with, £7,527: arrears of rental, nil.

Village Settlements.—We have only one small area under this tenure—viz., Kokatahi Village Settlement. Although this settlement was only opened in 1903, yet the holders (four) had occupied the area without title for several years previously, the land being closed against selection under the Midland Railway embargo. Consequently the sections are, with the exception of small patches of shelter-scrub, all under crop, grass principally; other portions of them are giving good returns in root-crops, but most of the area is used for grazing purposes. Three settlers supply milk to the adjoining dairy factory, and obtain very good returns. They have all fairly good houses and outbuildings, and are in comfortable circumstances. The outlook for the coming year is most promising and satisfactory.

The following items indicate the state of the settlement: Total area, 196 acres 2 roods 22 perches; number of occupied sections, 4; total population, 14; numbers of stock—sheep nil, horses 25, cattle 111, pigs 24; area in grass, 180 acres; area in white and green crops, 11 acres; requirements of Act, £20; how far complied with, £1,082: arrears of rental, nil.

Under the remaining tenures—occupation licenses, pastoral leases, &c.—there are a large number of holders, many of whom combine farming on a small scale and stock-raising with gold-mining, &c.; these may all be said to be contented and owe nothing to the State.

There are a considerable number of settlers who occupy lands under the Regulations for the Occupation of Pastoral Lands: these lessees are all doing well and are reclaiming large areas of hitherto waste country.

12. "To consider the report of proceedings and finding by the conference of Commissioner 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."

Members of the Commission will kindly note that the notices of motion, as below, from the Commissioner of Crown Lands, Westland, on page 3 of No. 2 Agenda Paper, should be interleaved between pages 70 and 71 of the proceedings of the above conference.

(1.) That within the Westland Goldfield, when an applicant desires a holding under lease in perpetuity over any lands reputed to be auriferous, the present law be so amended that, in all such cases evidence be taken before the Warden as to whether the area be auriferous or not.

(2.) That legislation be made to enable selectors under the regulations for the occupation of pastoral lands within the Westland Mining District to exchange their leases for a right under the lease-in-perpetuity tenure.

(3.) That the minimum rental of small grazing-runs within the Westland Land District shall be £1 per 1,000 acres.

(4.) That within the Westland Land District the minimum price for all lands, other than land-for-settlements estates and pastoral runs, shall be 5s. per acre.

(5.) That within the Westland Land District the contiguity of lands which are further apart than an ordinary separation by road or stream be determined at the discretion of the Board.

(6.) That within the Westland Land District, in connection with selections of unsurveyed lands, the Land Board be empowered to dispense with the whole or a portion of the estimated cost of survey.

(7.) That within the Westland Land District the Land Board shall determine the value of improvements to be effected on any small grazing-run.

(8.) That, in the event of the resumption of land from any pastoral run in the Westland Land District, it be sufficient to give the lessee three months' notice if the area is under 500 acres, six months if between 500 and 1,000 acres, and twelve months if over 1,000 acres.

(9.) That within the Westland Land District, subject to the right of resumption for close-settlement purposes, all pastoral runs to be leased with renewal terms, contingent upon due and equivalent improvements having been made.

(10.) That within the Westland Land District and Goldfield, where the approval of the Warden is obtained, all holders of temporary grazing-leases under the 219th section of "The Land Act, 1892," shall have the prior right to exchange their titles for a right under the lease-in-perpetuity tenure.

(11.) That within the Westland Land District all flax-cutting areas should be leased at the Land Board's discretion, in forms to be by the Board prescribed, for such area as the Board may direct, and for a term of fourteen years.

(12.) That the Land Board of the Westland Land District be empowered to grant any application under the Mining Districts Land Occupation Act for an area not exceeding 500 acres.

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 the Westland Land District there has been no aggregation of estates, large or small. We consider that the present maximum areas under the several classes are equitable and workable. We do not advise any variations in this district.

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."

We have only had experience with two small settlements, but so far we have found that, until we have clear evidence to the contrary, it would be very unwise to have a definite rule as to each allotment having a separate occupier, and the area not to be increased or the boundaries altered without direct sanction of Parliament. For in the administration of our estates, after due experiment and careful investigation, it was found most advisable and necessary to increase a holding, which was accordingly done, with the best results for the estate and occupier.

Again, we have an opposite case on hand at present, where two partners holding a section have asked the Board to permit its division between them—that is, the area is to be decreased and its boundaries altered.

Whenever the Land Board has decided to increase or decrease an area, or to alter boundaries, a complete statement of each case is sent forward for the Hon. the Minister's consideration and decision. I therefore consider that no alteration in the present procedure is necessary, and that the whole matter can be safely intrusted to the Board, as at present.

Suggestions and recommendations that we consider desirable and 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:—

(a.) *Arrears*.—The due collection of arrears is at present one of the most annoying and disagreeable duties the Commissioner has to perform, and with the view of simplifying the financial relations as between Crown and tenant, we would make the following suggestion: That when any lessee or licensee is twelve months in arrears of rentals, his lease or license should automatically be null and void. An intimation to that effect should be published as one of the conditions when the area is advertised. A clause directly instructing the tenant should be prominently placed in the body of the lease, and at the end of six and nine months, the lessee should also be warned by a printed notice that if his arrears were unpaid at the end of the current twelve months, his lease would be forthwith determined. There would thus be no odium cast upon the Board or Commissioner, as happens at present if we are obliged to take action. The Land Board should have discretionary power to extend the period beyond twelve months in special cases, such as sickness, loss by fire, &c.

(b.) *Advance of Money for Improvements*.—In “The Land Act, 1892,” under Part IV., “special-settlement associations,” and section 170, it is specially enacted that the Colonial Treasurer may make advances of money to occupiers of land under section 169, for the purpose of enabling them to profitably occupy their respective allotments.

It has been suggested that this provision might be most advantageously extended to other tenants of the Crown.

299. *The Chairman.*] You say that applications for land are referred to the Warden?—Yes.

300. And does the Warden ever act independently of you?—I am aware that the Warden has certain powers, and I thought they might clash a little with the authority of the Commissioner, or overlap with each other?—We do occasionally overlap a little. A man applies for a piece of land, for instance, we adjourn the application for a month invariably, and it is given to the Ranger to report upon. He goes out and makes a close inspection of the area applied for. He sees the neighbours round about—the miners, settlers, and other people—and hears if they have any objection. He then comes back to us. Then, if the Board agree to the granting of the application, we fix the survey fee and the rental, and we then send the whole of the papers to the Warden for his approval when our Ranger reports. If the Ranger reports that the land is wanted for mining purposes the Warden vetoes the application. It comes back to us, and at the succeeding meeting it is thrown out. If the Warden approves, the selection goes through and the lease is granted. That is not for lease in perpetuity. In the case of throwing land open on the lease in perpetuity I always wait upon the Warden, and with a map I carefully explain where the country is and whether or not any goldfield area is immediately contiguous, and I get his verbal approval of the block. Then we forward this to Wellington and it comes back through his secretary, and he grants his full approval of the block being dealt with under the lease in perpetuity. Then we take it in hand straight away.

301. Does the Warden in all cases assume responsibility of saying whether the land should be opened or not? At one time it was advertised so that the miners could have an opportunity of making an objection if it were auriferous?—When a man applies for a piece of land the man has to advertise. That is not done so much for the benefit of the miner as for the people round about the piece of land who may have cattle depasturing on it, and to take 100 acres out of that area might affect a hundred people. But the Warden acts upon the Ranger's report or my own report, or that of the surveyor's, and also in many cases on his own knowledge or that of the miners in the locality.

302. That is when you take the initiative in regard to the land: does the Warden ever take the initiative in regard to Crown lands?—No.

303. He may grant mining privileges?—Yes, and timber privileges.

304. I wanted to know if there was any conflict between the two authorities?—No, every assistance has been given us.

305. In the matter of tenures you think they are satisfactory as they are now on the statute-book?—I do.

306. And you say that in your districts, where there are so many diverse interests and tenures, it is desirable to continue them as they are?—Yes.

307. That if there was any change it would be inconvenient to people who had got accustomed to them, and so forth?—Yes.

308. With regard to the flax areas, you think they are too little yourself—that the time is too short and the areas are too small?—A man can only get two cuttings.

309. Have you large areas of flax in your district?—There are great strips of flax along the rivers and sea-coast.

310. You said that if a lessee was twelve months in arrear his connection with the land should be mechanically forfeited?—That was my remark, but I think the Board should have discretionary powers to extend that period.

311. We have had evidence in other places that settlers have been very much aggrieved in respect to demands received for rent. Do you not think it would be rather irritating for a settler to receive sharp demands?—I want to shift the irritation from myself to the settler who causes the irritation.

312. You have no arrears of rent?—No.

313. You think the town residents should have an opportunity of taking up land, and, being free of the residence conditions on doing, say, two or three times the amount of improvements required?—I think that a townsman should be able to put his son on the land, but that he should not be able to put an outsider there.

314. Could not the son go on the land on his own account?—No, he might be too young.

315. I noticed that the Conference of Land Boards approved of a registered substitute: what do you think?—I should approve of it under certain circumstances, but I would not approve of it universally. It would have to be a very exceptional case.

316. You know that in some instances in your district the Land Act of 1892 has been inoperative

from the fact that the land does not come up to the minimum price?—Yes, if a man wants to extend his holding, unless he pays £1 an acre for it he cannot do so. We want that section altered so as to be able to give it to him at a less price.

317. You think the homestead system might be introduced into your district again?—Yes.

318. Do you not think the Bush and Swamp Lands Act sufficiently liberal?—Many of the areas in the back valleys would be dear even under that Act. Virtually you would have to give that land away. If one could get a few of the old pioneer settlers to go on the land, I would say give them a bonus for going on the land. They are reclaiming the Crown land and adding to the wealth of the colony.

319. You said that in some valleys there was some very good land. A person going there might take up the land in such a way as to prejudice the settlement of the surrounding country?—I have stated that I would not let him get such land under the homestead system, we would only give him the poorest land.

320. Do you not think that sending a poor man on to poor land would be a bad combination?—We would give him plenty of it. There are numbers of men who would go back on to the poor land if they got a certain area of it.

321. Is mining increasing or decreasing in your district?—Individual alluvial mining is decreasing, but companies now seem to be taking up areas of land. We have in that district one of the finest mineral blocks on the face of the earth, running through Westland. We have got out of that belt of country specimens of nearly every known mineral. The indications are really splendid for minerals in that district, and eventually I feel sure that it will support an enormous population.

322. *Mr. Hall.*] Is there any stipulation in the land leased for flax with respect to the cutting of flax?—There is no stipulation as to how it should be cut.

323. *Mr. Johnston.*] Do you not think in connection with licenses for cutting sleepers and milling that the Warden and the Board involve a duplication of work?—Undoubtedly.

324. Do you not think it would be better administered by the Land Board?—It would be better administered by one head than it is at present.

325. Is it done now to the advantage or disadvantage of the Crown?—There is no disadvantage to the Crown at present.

326. In reference to the areas, are they given in such a way that the land can be improved afterwards?—Yes, the sawmiller has no right to the land whatever.

327. What becomes of the land?—The sawmiller holds the land until the cutting is completed.

328. Supposing he cuts 200 acres, does he still hold that area?—Yes, and he sometimes grasses it.

329. Do you not think it would be much better if the land were settled directly the timber was sawn out?—Yes.

330. You say that your district is purely a mining district?—The whole district is gazetted as a goldfield.

331. You said the lease in perpetuity suits the district?—Yes.

332. Is there any agitation for the freehold on the part of the Crown tenants?—No.

333. Are noxious weeds prevalent in your district?—Yes, on the river-bottoms and along some of the roads.

334. Have any means been taken to eradicate them?—The Inspector of Stock has done a great deal in that direction.

335. Does the Government instruct the men in charge of their roads to clear them of noxious weeds?—Only on roads through Crown lands.

336. You advocate the homestead system being applied to the poorest land?—Yes.

337. Do you not think it is rather strange to advocate putting a poor man on poor land?—I very much doubt whether you would get other people to take up such land, but I advocate the homestead system because I am convinced that under that system land in the back valleys would be taken up by a certain class of men if they could get the land under homestead conditions.

338. What area of bush can be felled to get a good burn? Have you known of 100 acres of big bush?—No.

339. Fifty acres?—Yes, of heavy bush.

340. This heavy-bush land is not fit for settlement, is it?—It will be fit for settlement when population gets there, but at the present time it is not profitable to attempt to grass it.

341. Were you on the Board when they passed the resolution about the Commission?—Yes, I was in the chair.

342. Did you know at that time that it was utterly impossible for us to get down to the coast?—No, all that I knew was that the Commission was not coming, and I may say that I did not vote upon the resolution. I put the resolution to the members of the Board present, and it was carried.

343. Is there any dummyism there?—I have never known of such cases.

344. Do you believe in tenants-in-common holding land under lease in perpetuity?—Yes, that is, there should be sufficient land for both, not for tenants-in-common to hold one holding; I do not believe in that.

345. Is dairying paying down there?—Yes.

346. Have you any land under the Land for Settlements Act?—Only two settlements.

347. Are they satisfactory?—Yes.

347A. If your district were cut into four ridings, and a member of the Land Board were nominated for each riding, would you approve of that?—Yes.

348. Do you give rebate on your rents?—No, we consider that we give liberal conditions enough to warrant us in refusing rebates, but we might reconsider that if there were bad years.

349. Do you not think in the interests of the Crown a great deal of that land could be kept for sawmilling purposes?—Yes, and so we do.

350. And that such land should be withheld from disposal?—Yes, we have special instructions from the Government to conserve every acre of milling-timber, and when we send particulars of a block to Wellington we have especially to note that there is no milling-timber on it of marketable value.

351. Where does this mineral belt extend from and to?—It extends, to my knowledge, for two hundred miles on the western side of the range, and it varies from sometimes a few feet to a couple of miles in width.

352. Are there any precious stones in it?—We have no stones, but we have the matrix of the emerald and the ruby that has been got in the alluvial wash. At the present time, Dr. Bell, the Government Geologist, is in the locality exploring the belt. I may say we have specimens in our collection at Hokitika of the rocks from nearly every part of the district, and we have the locations all duly noted.

353. *Mr. McLennan.*] You say you have a lot of flax land there?—Yes.

354. What is done with the land after the flax is taken off?—We do nothing with it at present.

355. Can they sow grass on it?—Yes, in places. We have a special condition in the lease that we may resume any land we choose out of these flax areas for settlement purposes.

356. Would the land be fit for settlement when the flax is taken off?—Only small strips of it.

357. Would the land grow grass if it were drained?—There are some very small areas on our side, but the areas generally are not wide enough to be fit for settlement.

358. *Mr. Paul.*] Seeing you have practically no arrears of rent in your district, why do you advocate that drastic change of forfeiture when any man is twelve months in arrear?—I do not care to air my own troubles, but I have had some little difficulty in getting those arrears collected, and I do not want to repeat that if I can help it. I would be very pleased if some method of this sort could be adopted. I have no trouble with some settlers in regard to arrears, but others again are utterly careless. It is not that they have not the money, but they seem to think they will pay any one but the Government.

359. Your settlement must be very successful judging by the small amount of arrears in your land district?—Yes.

360. And the settlers must be fairly prosperous?—Yes. We cannot say that very many of them are wealthy men, but they are going along very well.

361. *Mr. Anstey.*] Are there any instances of good land being spoilt by mining operations?—There is not much of it. There is a little along the seaboard.

362. Is there any way of avoiding that?—No.

363. Is the land that is being spoilt profitable for gold-mining?—Yes, very profitable.

364. Is it dredging land?—Some of it, but the most of it is used for ground-slucing.

365. We had evidence in the south that this destruction of land could be avoided very largely by a proper system of arranging the *débris* so that it might be returned to practically the same position it occupied before being dredged away?—I have not heard it. I do not know if it would be practicable on our side.

366. You principally supported lease in perpetuity because under it you can resume land if it is required for mining purposes?—Yes.

367. I cannot see the difference between resuming lease-in-perpetuity lands and resuming freehold lands: can you explain it?—Lease-in-perpetuity land in a mining district can be resumed by the surrender or determination of the lease if the land is required. Every leasehold is termed Crown lands under the Mining Act.

368. That means there is a provision put in the lease allowing the land to be resumed?—There is no necessity for it, because, under the Act, the interpretation of "Crown lands" is that any leasehold from the Crown is Crown lands.

369. Why should not the position of freehold be just the same in a mining district?—It has not been done.

370. Why should it not be done; it is no more difficult in the one case than the other?—That is a matter for Parliament to decide.

371. What is your particular object in confining the application of the ballot to one member of a family: why should a man, because he is his father's son, not be allowed to ballot?—I am afraid I have only looked at the matter from our own narrow point of view.

372. Supposing there are six or seven members of one family who wish to get a farm, why in the world should they not get a farm on an adjoining estate if they draw the farm fairly in the ballot?—My little experience has been confined to one estate under the Land for Settlements Act, and, for that reason, I was very diffident in making any suggestions at all. I may say that in the ballot for the Kokatahi Estate, there were four sons-in-law of the man from whom we bought the estate. These men applied, and, although all the people round about wanted a section there, each of these four got a section.

373. Were they not good and eligible settlers?—Yes, but virtually we paid the proprietor of this estate for the land and then we gave it back to him in this way.

374. Were these people not just as eligible settlers as any one else?—They might be so.

375. Why block them then?—I would have been content if one of these men got a section and given a chance to the sons of settlers round about to get the rest.

376. Does the Warden never veto the occupation of land that is not suitable for mining?—No. We sufficiently advise the Warden as to whether the land is auriferous or not, and he gives his decision accordingly. In some cases he also acts on his own knowledge.

377. Is he always ready to remove all obstacles to the settlement of land if possible?—I have always found the Wardens most willing and anxious to help us in every way.

378. With regard to your suggestion that a shopkeeper should put his son on his section, how far would you extend that privilege?—Only to one son.

379. Would you allow him to put any one else's son on?—In certain circumstances I would if we had a bond of assurance that the shopkeeper was eventually going on that land.

380. Would you allow him to put his daughter there?—Yes.

381. Or his nephew?—Yes. I would allow him to put his registered substitute on the section in certain circumstances.

382. Would you allow him to put his father there?—Yes, if he was the registered substitute.

383. Would you bar him from registering as his substitute a cousin or an uncle?—No, I would allow him to put any one there, provided he was a suitable settler.

384. If you allow somebody else to occupy the land in place of the settler, is that not simply dummyism?—I want to curtail that, and I say that the man must enter into a bond that he is going to go on the land later on.

385. Has the success of the settlements at Poerua and Kokatahi been very largely assisted by the fact of having good roads?—Yes.

386. Would they have been so successful if they had not got roads?—No. We must have roads if we are to settle our country. The bush is so heavy, and in many cases so wet, that the people cannot get into the land without roads.

387. You think good roads are an absolute necessity for successful settlement?—Yes, under the Land for Settlements Acts.

388. *Mr. Johnston.*] Are there many education reserves in your district?—Yes, a good number.

389. Are they in profitable use?—They are not very valuable at present.

390. Would you advocate the Government taking over these reserves and giving the Education Board an equivalent in bonds, the reserves then to be administered by the Land Board?—I do not see any reason to do that in our district.

APPENDIX.

CORRESPONDENCE.

ADDITIONAL STATEMENT.—MR. W. H. WILLIAMS, CHRISTCHURCH.

Residence.—On all settlements of the same class as in South Canterbury, where the tenants can obtain an immediate return, either in crop or grazing, the building and residing should be strictly enforced, as this is one of the important measures in the success of the settlements—viz., getting the tenants, more especially those with families, on to the holdings, as they then commence to make permanent improvements; and if this is not enforced, then it only opens the way for merely cropping. Getting the married men on helps to bring pressure on to the single men to also comply.

Grouping.—There is a strong feeling against this, and numbers of applications have been lost from good men; and on the Rosewill Settlement I can safely say that from eighty to a hundred intending applicants refused to apply when they found the sections were grouped as at present, whereby a person is compelled to accept whatever section is allotted to him. They want freedom of selection; and the old plan of allowing them to apply for so-many sections, not to exceed a certain area, was satisfactory, as if an applicant applied for, say, one, two, or three sections, if he was fortunate enough to obtain either of them, then they were his own choosing, and he could not complain. Men have very different ideas of land, and what one would choose and could see his way to work another would not have at any price.

My meaning, in answer to question 38, was this: An applicant is allowed to apply for up to an area of 1,000 acres. This will embrace, say, two, three, or even four sections. He applies for that number, and says his first choice is number so-and-so. At the ballot, if any of those he has applied for are drawn in his favour he cannot refuse to take it, as he has applied for it. This was the old plan of ballot, and always gave perfect satisfaction. A married woman should also be allowed to apply for any section the same as her husband, as if one draws a section the other cannot hold another.

[To accompany the evidence of John Heath Newlyn.]

PROPOSED SCALE OF GRADUATED LAND-TAX.

The tax shall be estimated at the rate of $\frac{1}{4}$ d. (or other determined fractional part) in the pound sterling of capital value of each £10,000. The rate per pound sterling rising or falling above or below the rate of one unit (or farthing) in the pound to agree with the capital value in excess of or less than the sum of £10,000. The graduated tax shall start at any capital value determined by Parliament, and shall be levied according to the graduation below.

Examples.

Where the Capital Value is					The Tax in the Pound shall be Farthing.	Or Total Tax of
£						£ s. d.
1	...	...	...	...	0.0001	...
10	...	...	...	...	0.001	...
100	...	...	...	...	0.01	...
1,000	...	...	...	...	0.1	0 2 1
10,000	...	...	...	...	1	10 8 4
100,000	...	...	...	...	10	1,041 13 4
200,000	...	...	...	...	20	4,166 13 4
210,000	...	...	...	...	21	4,593 15 0

Examples of Plans of Graduated Tax.

Capital value, £87,500. Tax payable, 1891, £410 2s. 3 $\frac{1}{2}$ d.; 1903, £524 1s. 9 $\frac{1}{2}$ d.: suggested, £797 10s. 6 $\frac{1}{2}$ d.

Examples of Graduation in the Three Systems.

Rise in Capital Value.						Tax Payable (Rise of).							
From	To												
£	£				£	s.	d.	£	s.	d.	£	s.	d.
50,000	51,000	...	...	...	29	13	4	17	3	9	10	10	5
40,000	41,000	...	...	...	23	8	9	14	1	3	8	8	9
30,000	31,000	...	...	...	17	14	2	10	18	9	6	7	1
9,000	10,000	...	...	...	0	10	5	3	2	6	1	19	7

LETTER ON GRADUATED TAXATION.

SIR,—

Merivale, 7th July, 1903.

You are possibly aware that in 1884, before the formation of the Stout-Vogel Government, a series of letters appeared in Christchurch papers upon the subject of land-taxation. When the late Mr. Ballance was one of the above Ministry he received copies of letters dealing with the "cheap money scheme"—as proposed by me—and with graduated taxation. A plan of "progressive" graduation was then forwarded to him, and may have been retained among his papers. The adoption of the suggested tax in 1891 (?) was not accompanied by the widening increments suggested in 1884. As some alteration in the tax is contemplated, I respectfully submit that the adoption of the original scale in principle will decrease existing anomalies.

I have, &c.,

The Right Hon. the Premier, the Treasury, Wellington.

J. H. NEWLYN.

Reply to the above letter :—

SIR,—

Prime Minister's Office, Wellington, 21st July, 1903.

I have the honour to acknowledge your letter of the 7th instant on the subject of the incidence of the graduated land-tax for which I thank you.

I have, &c.,

T. H. Newlyn, Esq., Merivale.

R. J. SEDDON.

COPY OF LETTER INSERTED IN THE CHRISTCHURCH "STAR," 1ST JULY, 1884.

*A New Land Policy.*To the Editor of the *Star*.—

SIR,—

"Confiscation without compensation" has not up till now found much favour in New Zealand, although some of the advocates of a "bursting-up" policy have endeavoured to foster a taste for the fallacious literature provided by Messrs. George and Wallace, which inculcates the doctrine that those who, like myself, do not own enough land in which to bury a sparrow, have a right to a share in the estate bought at the price demanded by our thrifty neighbours. The manner in which some of the estates in England were bestowed upon Court favourites, and the various frauds practised by land-grabbers in America, must force candid persons to own that there is some reason for the feeling of antagonism that exists between the land-monopolists and their victims. The cry of the "alien landlord," which has found an echo here, is increasing in force throughout America, where Mr. George has provided it with a congenial home. The Duke of Sutherland owns land in Colorado equal to the area of Yorkshire, and the Earl of Dunraven has had his title to his Colorado territory disputed by the Secretary of the Interior. The Earl's agent has, it is said, bribed summoned witnesses to absent themselves from the inquiry. "Taking one consideration with another" it does not appear that the 25,000,000 dollars invested in American land will be a source of unusual profit, for all local taxes are raised directly from the land, whether cultivated or not. As "all laws relating to corporations may be altered or repealed" by most, if not by all, of the State Legislatures, it is not at all improbable that Mr. George may actually benefit Australia and New Zealand by diverting the stream of British capital to our shores. I presume, sir, that such a diversion of capital would not be repugnant to our politicians, and that the opponents of the large estate holders simply desire to see all arable land put to best uses. I respectfully suggest that all their reasonable demands would be met by a law requiring each land-owner to bring under cultivation, to avoid special taxation, from one-eighth to one-twelfth of his holding annually, according to the estimated quality of the soil and its distance from main roads and settlements, but irrespective of the area of the estate. Of course, the fractions just mentioned are simply given to indicate the principle that I think should guide our legislators in dealing with this very difficult subject. It seems probable that the adoption of the above plan would provide increased work for agricultural labourers, and materially augment our exports, without specially interfering with large capitalists.

I am, &c.,

1st July, 1884.

J. H. N.

Memorandum for Chairman of Lands Commission.

I BEG to forward herewith the figures regarding the position of peasant proprietors in France, which I referred to when giving evidence before the Commission. They are taken from a recently published work entitled "The Farming Peasantry of France from 1789: from the Official Documents," by A. Toubeau, a French author well known for his advocacy of intensive agriculture.

According to the official statistics—from which Toubeau took his data—the surface of France, after deducting the area taken up by rivers and lakes, is given as 49,000,000 hectares (1 hectare = 2½ English acres). This area, according to Toubeau's investigations, is made up as follows :—

	Hectares.
Area covered by forests, heath, swamps, grazing-land, &c. ...	= 16,000,000
Houses and gardens	= 1,000,000
Leasehold property (cultivated by tenants)	= 16,000,000
Large properties (cultivated by labourers)	= 12,000,000
For the peasant proprietor (including gardens and house area) ...	= 4,000,000
Total	= 49,000,000

It will thus be seen that in the paradise of the peasant proprietor only one-tenth of the soil belongs to men who work it with their own hands. The Government statistician, referring to the fact that a great number of so-called proprietors are such only by name, says, "Half of the land-

owners possess only a small house with a very modest garden, sometimes an insignificant portion of an old common or an undivided portion of a yard, open space, passage, or building-lot. In this way, in a great number of cases, in reality they have only the name of proprietors." A German author, commenting on Toubeau's figures, says the proportion of holdings worked by paid hands or by tenants is likely to become more unfavourable from year to year through division by inheritance and increase of mortgages.

The Commission will thus see that in making my statement about France I was at least not speaking without authority.

J. A. SCOTT, Dunedin.

Wade, 23rd May, 1905.

To the Chairman and members of the Land Commission.

SIR AND GENTLEMEN,—As secretary of the Wade Branch of the New Zealand Farmers' Union, I was deputed to attend and give evidence before you. Owing to unforeseen circumstances I am unable to do so. I do not know if your rules permit letters to be read, but should they do so I trust you will read this in lieu of my personal attendance. The members of my branch are unanimously in favour of freehold tenure, and, generally speaking, would advise the renewal of the Homestead Act. Our great want is roads, and it would be well to devise some better system of spending Government grants than at present obtains. This more especially applies to County Councils.—I have, &c.,

S. SCRUBY,

Hon. Secretary, N.Z.F.U., Wade Branch.

SIRS,—

105, Grant Road, Wellington.

In response to your request for opinions on the tenures controlling the privilege of individuals to hold land in their own right as against that of the community, I beg to offer the following original remarks on the subject:—

I set up my claim to sepak with some degree of authority on the basis of forty years' work and dealing in matters intimately connected with the question of tenures, having during that time worked on, built on, lent money on, owned, occupied, leased, and let on lease land, leasehold and freehold, in town and country. I had experience in parts of Australia where no tenure existed at all, and the squatter merely paid an assessment on his stock, until the free selector came on the scene, and, by picking the eyes out of his stations, burst up his estate. I helped to clear land for cultivation at the beginning of one of Dunedin's earliest settlements—viz., Kuri Bush; hewed and used coal at Kaitangata before any one else knew there was anything of the sort there; worked at Palmerston North on the sawmills before there was a township of anything more than sawmill whares; and passed through the populous village of Tenui in what a member of the House recently described as its palmy days, before the freehold iniquity wiped out the villagers and replaced them with sheep. Well, all the villagers I found there in those palmy days were a bullock-driver and his wife. The incident would not be worth mentioning only for its evidence of the lengths politicians will go to prove a pet theory. My baptism of land-ownership came during the years of adolescence, when I swopped a horse, saddle, and bridle for a Dunedin town acre, followed soon after by the purchase of a section in the original subdivision of St. Clair, which returned me the handsome profit of £150 in seven years on a very small outlay. I had the misfortune to be a purchaser of Wellington property in the boom times, before the depression, and was reduced to accepting 2s. 6d. per week for property which had previously let for £1 per week, and got nipped with a Wairarapa farm of 200 acres, which I passed on to a graduate of one of England's leading agricultural colleges, who subsequently abandoned it and left it a derelict breeder of noxious weeds.

Owing to my taking up the new idea of separating milk, in 1886, and hawking the idea round the country, I have had the privilege of considerable and varied intercourse with farmers for nearly a score of years, and flatter myself I know something of their needs and the tenure that will encourage them to the best effort; and if the Government have the true interests of the country at heart they will quickly get into line with other countries in granting facilities, not only for obtaining, but for turning brain and sinew into the only tenure extant—viz., freehold.

It is the fashion to speak of leasehold in all its varied hues as a tenure, but that is only due to a faint attempt at pleasantry on the part of those ogre-eyed people who have no vigour, and hate those who have. The incident in my experience impressing me most particularly as to the utter failure of the leasehold tenancy—"tenure" I decline to call it—is worth narrating. A farmer, whose produce I was the continuous purchaser of, held an expiring lease, and wanted another to take its place. This turned up within the necessary radius, but, owing to the disadvantage of the leasehold system, did not eventuate. The would-be vendor had fallen on bad times, owing to a breakdown of health, and badly wanted to sell, offering his interest for the net cost of improvements, £2,000. The lease was a Government one, and the Advances to Settlers would only lend £700, the regulation half of a regulation valuation, but only one-third of the real value. The applicant had only £500 towards the deposit, and the gap proved unbridgeable. Outside lenders saw no difficulty if the proposal could be put on a freehold footing, although the sum then required would be much greater, but the leasehold was out of the running with them. Proof that the Advances to Settlers agreed with this policy is found in a transaction where they lent £1,000 on a property which changed hands at £1,200; a proportion which would have enabled my friend to have taken on the freehold when the leasehold was out of his reach. The lack of enterprise by the Government Department in assisting *bona fide* settlements is shown in the vivid light of the fact that they were ground-owners, and to them would have reverted the whole of the property in case of forfeiture, while outside lenders would, on the other hand, lose everything in case of forfeiture.

The crucial point is the difference between freehold and leasehold in their money-raising power; for the money-raising power and the power to realise outlaid capital is the spark that gives vitality to the whole mechanism, and without which it must at some time or another come to a full stop, like the transaction above narrated. The answer is that freehold is a real tenure, but leasehold is no tenure at all, and the reason ordinary lenders cannot afford to lend on leasehold is due to that fact. The land itself cannot be tendered as security, only what has accrued under the temporary tenancy, and any one having the temerity to lend on such a security may wake up any morning to find a covenant broken and his security reverted to the ground-owner. Leasehold in all its shapes and forms and variegated titles is only a tenancy. There is only one tenure, and that is freehold, and in no other way than by capitalising the working-value of the land can the worker have the semblance of a free hand in working the land.

I am quite conscious of the supposed disabilities and iniquities of the freehold. I have been through the whole pharmacopœia of those mental derangements—the single-tax disease, the nationalising mania, the increment phobia—and have arrived at the conclusion that there is very little in them when diagnosed, and nothing that could not be immuned by inoculation with the lymph of common-sense. Those who are likely to get a fit over the future probabilities of the unearned increment in New Zealand should investigate land-values in fully populated countries, say, Great Britain, for instance, where the average agricultural value is £7 per acre; a special property of 2,000 acres, let to a tenantry of fifty-six families, with houses and other buildings, £32,000; 80 acres at Harrow, ten miles from centre of London, bought for a breathing-space, £300 per acre; pleasure resort at Basingstoke, with fishing, shooting, ornamental and athletic grounds, 200 acres, £10,500. Compare the latter with Bellevue, Lower Hutt, at £17,500.

Of the bogeys brought up against the freehold, I will say a word about land-nationalising before coming to a finish. At the very outset, land never has been any other than nationalised, and no individual freeholder or party of them could defy the State or inflict an injury on the community unless the community voluntarily submitted to it. But, supposing for the sake of argument, the common idea of nationalising actually took place, what would happen? Exactly what has happened already. The whole lot would be parcelled out in tenancies, which, on a large scale, would prove unworkable, and after a lot of harm had been done there would be a reversion to the only tenure—freehold—that has the flexibility necessary to adapt itself to the varying conditions of general cultivation, or apply itself to the multitudinous demands of industry.

The Land Commissioners.

HENRY BODLEY.

GENTLEMEN,—

Wataroa, 13th April, 1905.

I have received an invitation from Mr. Roberts to attend your sitting of the 29th instant. I would willingly, do so but am so crippled with rheumatics that I could not undertake the journey. I am sixty-eight years of age. I hold 200-odd acres of land under lease in perpetuity, and came to the conclusion long ago that the State ought never to have parted with an acre of land. I and others down here are of the same opinion and believe in the principle of the thing. Of course, it is human nature for us to wish for the freehold, and if one gets it we fancy all should have it. However, the lease in perpetuity has been a great boon to thousands of us who could never have taken up an acre of land on any other tenure. What we complain of is that we are rated the same as the freehold, and we do not consider that fair; and again, if one wants to borrow money we cannot get the same amount even from the Advances to Settlers Department.

As to revaluation, we are of opinion that, if done at all, it should only be done on the betterment principle, and not on the work a man or his family has done to improve their land.

Speaking for myself, I would like to see all absolute sale of land done away with, including the occupation with right of purchase.

I have, &c.,

The President and members of the Land Commission.

ALEX. GUNN, Settler.

GENTLEMEN,—

Wellington, 19th June, 1905.

I had arranged to give evidence before you at Pongaroa, but was debarred when you did not visit that township. On Friday last, 16th June, I attended at the Chamber of Commerce with the intention to tender my evidence. After waiting a considerable time and hearing the evidence of the Crown Lands Ranger (Rutherford), I expressed a wish to your Chairman to follow the Ranger's testimony with my experience, but your Chairman called upon P. Heyes, Advances to Settlers Department, at the same time asking me to wait. As it was then getting late in the afternoon I was unable to comply, therefore I feel that opportunity should be given me to state my case. Assuming you will grant my request, I beg to state—

Selection and supervision by Ranger.—Upwards of eleven years ago I was instrumental in forming the Woodville No. 2 Farm-homestead Association, and selected 6,000-odd acres on the eastern side of the Puketoi Range; the Rakaunui Township is now situate about the centre of this selection, nine miles from Pongaroa. I was the first occupier of a section in the block selected, going five miles into the bush—practically without a road—to my section. From that time to the present myself or some members of my family have constantly occupied my section (200 acres), two of my sons having taken up adjoining sections, making an area of 930 acres in all. 630 acres of this land is lease in perpetuity, and 300 acres education reserve. Many of the adjoining sections reverted to the Crown, and have been reselected under the improved-farm-homestead and lease-with-right-of-purchase systems, with this result: Two of the farm-homestead settlers that went on their section without sixpence of capital have sold their interests for £100 each, the Government, of course, having advanced the whole of the money for

whatever improvements have been put on the land. Both these men had work (one of them nearly constant) at 8s. per day, on the roads under Government construction, and have both left the district practically not sixpence better off than when they came into it. I can give more cases with the same results. From my experience, it is this class of "ne'er-do-wells" that get the most consideration from the Government. In the case of my sons (both single men), they have been worried and harassed by the then Ranger (Cavanagh) on account of not personally residing on their sections, although the said sections have been constantly occupied by them, the whole bone of contention being that they should not walk half a mile from my house, where they could sleep in comfort, to their own sections to sleep in a whare. To such an extent was this persecution (I can call it by no other name) being carried, that one of my sons, after years of hardship, has parted with his holding for less money than the outlay in rents and improvements—the lease-in-perpetuity tenure militating against a profitable sale. Concurrent with above events a 200-acre improved-farm-homestead section was taken up by a selector, the Government advancing money to him for bushfelling and erection of house; this money was no sooner spent than the selector left the district, and the section has been unoccupied now for two years. The same Ranger who has given so much trouble to my sons (both *bona fide* settlers) has annually inspected this section. Lately an application was put in by a would-be selector for this long-neglected section (the chimney having fallen from the building and the whole place going to ruin), and has been informed "the land is still in the late occupier's name but that he will be communicated with." Comment is needless.

Access.—Certain evidence was tendered to you at Pahiataua regarding the bad state of the Government roads in our district. Such statements were characterized by the Ranger, in his evidence at the Chamber of Commerce, as not wholly correct. He also stated there was only three miles and a half of the road to Pongaroa unmetalled, but he failed to inform you that there are two roads running through the district (both main arterial) to that place, and although one may be nearly finished, the other, which serves a larger area and consequently more settlers, is in a deplorable condition, and has been every winter for years past. Relief has been promised year by year by the Government, and although large sums of money have been spent, the results (on account of bad administration and log-rolling) are as stated. It took years of representing these things to the Government before the inefficient officials could be moved, and now that we have a thorough, practical man (Mr. Nathan) in charge, he has been hampered for the past two years for want of sufficient funds. Personally, compared with the large majority of settlers, I am in a good position, so far as access to my land is concerned, having a break of three miles only of impassable mud to contend with, after an occupancy of upwards of ten years. This season 2 tons 17 cwt. of stores and goods forwarded from Wellington cost £13 10s. for rail and cartage to my house, situate thirty miles from Pahiataua Railway-station. There are settlers thirty miles beyond my place, who have to get their stores and goods over the same route as I do at an added cost of £4 per ton.

Tenure and Finance.—In my opinion, the now burning question of tenure would never have attained the prominence it now holds if correct legislation had been passed to give the lease-in-perpetuity selector the same facilities to improve his land as the freeholder. The freeholder and the lease-with-right-of-purchase selector can raise money without the least trouble as an ordinary mortgage; or by depositing, in the former case, his deeds, in the latter, his certificates of title, with his banker, a temporary advance can be obtained to help him over a pressing need in purchasing stock, grass-seed, fencing-material, or whatever he may require to make his holding remunerative. The lease-in-perpetuity selector has no such facilities, consequently he is left behind by his more fortunate neighbour. The banker will not look at the lease-in-perpetuity title, the private money-lender, with trust funds at his disposal, is debarred from lending by law. The Advances to Settlers Department has in the past raised all sorts of objections, and in many cases refused loans altogether, without any explanation, to lease-in-perpetuity selectors. The present agitation is therefore the outcome of the serious disability laboured under by the lease-in-perpetuity selector. It seems to me it is to the community's interest to see that the leaseholder has the same facilities to raise money to improve and work his land as the freeholder and right-of-purchase selector. If this had been done I venture to say there would have been less agitation for the freehold to-day.

The Landless and Taxation.—The views expressed by the labour organizations and socialists *re* the State parting with the freehold are, in my opinion, based upon wrong premises. On the one hand they agitate for State ownership of land, and, on the other, protection. Both contentions, in my opinion, are against their own interests—*i.e.*, if the Custom duties were removed the worker would be able to purchase most of what he consumes at 20 per cent. less cost than now, and if the whole of this colony's land was sold to-morrow the State, and consequently the toiler and landless, would benefit to the extent of thousands of pounds per annum as the result of a land-tax, which is now lost through the State being its own landlord, and if the tax levied was based upon correct lines, it would not matter if one individual owned the whole of the land in New Zealand, because to be able to pay the tax he would be compelled to put every acre to its proper use. To do that would not only mean the absorption of all surplus labour now in this country, but that the population would need to be increased fivefold to meet the demand for labour; therefore, as a demand for labour with short supply means high wages, and free ports mean cheap commodities, the spending-power of the toiler would at once be doubled.

Roading and Loading.—The whole of the land in my district is loaded to the extent of 5s. per acre for roading; this sum, so far as the association I formed, was added after the sections had been allotted, raising the price of the land from £1 2s. 6d. and £1 5s. to £1 7s. 6d. and £1 10s. per acre, and although it was understood at the time this loading was only for a limited period, we have been unable to get any definite statement from the Government as to when such loading will be removed, consequently each 200-acre section is now contributing annually to the Government a sum of £2 10s. in interest on such loading, besides the rates levied by the County Council, amounting already, in my case, to twice

the amount paid to the Government. If we apply to the Government to finish our roads they plead (in spite of the large surpluses of recent years) want of funds, and if we apply to the County Council they say the roads are not vested in them and they have no power to spend money on Government roads. I have therefore to suggest that the Government position be defined as to duration of loading and extent of responsibility *re* making our roads.

Tenure.—In my opinion, the best of all tenures for the selector is the lease with the right of purchase, as under this tenure a man with only his labour for capital is not debarred, and can therefore work out his own salvation; whereas, under the deferred-payment system, a selector must have considerable means, for five half-yearly payments have to be made during the first two years, or before he can get any returns from the land. It is therefore quite impossible for a labouring-man in the country to earn sufficient to make those five payments, clear, grass, fence, stock his land, and live, without some returns from his land. That has been in the past the real cause of so many transfers and forfeitures under this system. The first two years make for failure or success on new selections, it is therefore imperative that all payments after the deposit should be waived until the expiry of that period at least.

Six-foot Tracks.—The Ranger evidently wished to impress the members of the Commission with the roading-facilities placed at settlers' disposal in the shape of 6 ft. tracks; my experience of 6 ft. tracks is that settlers are far better off without them, and the construction of such Sloughs of Despond has entailed an enormous expenditure upon the country, a greater part of which was quite unnecessary, for, when the wide road is formed, it is generally upon a different grade to the original 6 ft. track, which necessitates new and large culverts and the raising and lengthening of bridges—a most expensive procedure. In my district I feel quite safe in stating that one-half of the public money expended has been absolutely thrown away. A track cut through the standing bush is preferable to an open 6 ft. track in most cases.

Publicity.—The publication of business communications passing between a selector of Crown lands and the Land Board seems to me quite unnecessary and a very unbusinesslike mode of procedure. I can quite understand the necessity of Board meetings being open to the public, but not that a selector's business should be made the common property of all, through the medium of the daily Press.

Elective Land Boards.—Although I have here advocated elective Land Boards, I feel I shall not be taking up a fair attitude if I do not admit the many excellent appointments that have been made to the Wellington Board. I refer more particularly to Messrs. Stevens, Rangitikei; Pirani, Palmerston North; Hogg, Masterton; and Reece, Pahiatua—all broad-minded men with advanced liberal ideas regarding land legislation and administration. Personally, I feel gratified that the district in which I reside has such an advanced and able thinker for its representative on the Board as Mr. Reece.

I am, &c.,
CECIL ROADLEY, Rakaunui.

I HEREBY certify that Cecil Roadley has this day declared before me that the whole of the above statements are true to the best of his knowledge and belief. E. ARNOLD, J.P.

To the Chairman and members of Land Commission, Wellington.

GENTLEMEN,—

Normandale Settlement, 15th June, 1905.

We, the undersigned, are in favour of the leasehold, with minor amendments, as the best system for enabling a poor man to go on the land. We think that the alienation of the freehold, while benefiting the individual fortunate enough to secure it, would ultimately, in spite of all safeguards, lead to the evils so rampant in the Old Country. We think it the bounden duty of each generation to leave things a little better for the next, as other generations have undoubtedly done for this. We think that this colony, ahead as it is in many things, has another chance of being an example to the world by gradually absorbing the freehold.

While favouring the leasehold, we think there are various minor matters that might be amended, amongst which are permission to change from a small section to a larger one without first having to sell out. We think also it is unfair to be rated on improvements, especially when such improvements are compulsory. This has a tendency to cause stagnation.

Trusting that the labours of your Commission may be beneficial, we remain,

Yours, &c.,
HARRY ADAMS. J. E. KNIGHT.
F. E. BROOKER. J. ARNOLD.
G. EARL.

[See Evidence of Alfred Gregory, Dargaville.]

SUMMARY of the LANDS of the HOBSON COUNTY, 23rd May, 1905, and the Revenue (£4,439 12s. 6d.) derived therefrom, and the Proportion paid by the Twenty-eight Landholders who own £209,779 out of the £355,170 Unimproved Value of the County. Also showing how Rating on the Unimproved Value affects the Ratepayers of the County, against the Old System, now discarded in this County. (Compiled by Alfred Gregory, Dargaville.)

Number of Persons owning Land.	Value of Unimproved Land.	Average each Person.	Improvements now exempt.	Average each Person.	Average Percentage to every £100 unimproved.	Rates now saved on Improvements to the Land-speculator and <i>bona fide</i> Settler.	Average Rate saved on every £100 unimproved (nearest Penny).	Rate now paid on the Unimproved Value, 3d. in the Pound.	Average now paid on every £100 unimproved.
	£	£	£	£	£	£ s. d.	s. d.	£ s. d.	£ s. d.
Over £5,000 (12)	171,196	14,266	28,899	2,408	17	230 15 10	2 9	2,139 19 0	1 5 0
Over £1,000 and under £5,000 (16)	38,583	2,411	8,063	504	21	64 7 10	3 4	482 5 9	1 5 0
Under £1,000 (Sections only) 1,109	145,391	131*	163,582	147*	112½	1,306 7 8†	18 0	1,817 7 9	1 5 0
	355,170	..	200,544	..	..	1,601 11 4	..	4,439 12 6	..

Number of Persons owning Land.	If Rates (£4,439 12s. 6d.) were collected on old obsolete Style (Capital) 1s. ½d. in Pound.	Average per £100 unimproved.	Bonus would have been paid by <i>bona fide</i> Settler to Land-speculator.	Total Sum of Bonus would have been paid by <i>bona fide</i> Settler to Land-speculator.	Proportion of Extra Revenue (£965 14s. 3d.) allotted to each Section under new Rate.	What it would have been if County Council had not been beaten, 14th Feb., 1905.	Total Sum of Bonus would have been paid by Land-speculator out of the extra £965 14s. 3d.	Mostly Government Land (not rated).
	£ s. d.	£ s. d.	s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£
Over £5,000 (12)	1,597 19 7	0 18 8	6 4	531 19 5	465 9 8	347 14 5	117 15 3||	56,643 (unimproved)
Over £1,000 and under £5,000 (16)	372 10 5	0 19 2	5 10	109 15 4	104 18 2	81 1 3	23 16 11 ¶	12,037 (improvements)
Under £1,000 (Sections only) 1,109	2,467 9 11	1 14 11	9 11‡	650 2 2§	395 6 5	536 18 7	140 12 2**	68,680 (capital)
	4,437 19 11	..	..	..	965 14 3	965 14 3	..	..

* Section. † *Bona fide* settlers. ‡ Now kept in pocket of *bona fide* settler. § Sum saved by *bona fide* settler
 ¶ Included in £531 19s. 5d. ¶ Included in £109 15s. 4d. ** Included in £650 2s. 2d.

Notes worth remembering.

The best and richest lands are in the hands of the speculators. Practically a tenth of the county (unimproved value) is in the name of one man.

Thanks to rating on the unimproved value, the land-speculator now pays 59 per cent. (possibly another 3 per cent. added) instead of 44½ per cent. on old obsolete system. The *bona fide* settler is reduced from 56 per cent. to 43½ per cent. (possibly many per cent. less).

There are 739 sections in the county that pay lessened rates, 426 sections that pay increased rates, and 224 sections of the 426 are altogether void of improvements, and therefore pay £2 rates for every £1 last year.

Twelve persons own 48 per cent., sixteen persons own 11 per cent., and 1,109 sections, many of which belong to the aforesaid twelve, 40 per cent.

CORRESPONDENCE.

To the Editor.

DEAR SIR,—Mr. Harding, in his pre-sessional address, as usual, belittled "Rating on the Unimproved Value." What Opposition member does not? He trotted out that crown jewel of the Opposition, "the poor (?) widow of Devonport," who seems lucky enough to own a town section. The large landholders of the Auckland District, especially, seem fair gone on her. It is their only trump card which, when examined, turns out to be a knave. Enough! Let us examine our own new rate of 3d. in the pound, which, thanks to the common-sense of the majority of workers in this district, is collected on the unimproved value; there we shall find the true reason why large landholders go on advocating the old obsolete system (as far as this county is concerned) and try to fool the non-thinking settler back to rating on the capital value, instead of the unimproved value.

To begin with, some settlers will remember last year the rate was 1½d. in the pound, and was collected on the capital value, £555,714, of which £200,544 represented labour. They will also remember, against great opposition of the Council, the more sensible portion of the community decreed that this £200,544 should no longer be taxed by the unimproved value, which is made by all the people and its natural surroundings. This value at that time was worth £355,170, of which amount I have ascertained twenty-eight people own £209,779, besides much of the £145,391 allotted to labour in 1,109 sections. If the county revenue had remained the same a 2½d. rate

would have been sufficient to make it up. The Council has raised this rate from 2½d. to 3d. which brings in an increase of revenue amounting to £965 14s. 3d. The twenty-eight who own nearly two-thirds of this county will have to pay £570 7s. 10d. of this amount, and the 1,109 section-holders £395 6s. 5d. I trust that the Council will see that this extra revenue is well spent, first, in reducing our overdraft; secondly, in making roads without favouring the twenty-eight.

Below is a summary showing the people of Hobson County how the new rate will affect the land-speculator and the *bond fide* settler, and also how it would have affected him if this £965 14s. 3d. had been collected on the old system.

Summary.

The above figures, which I can vouch for as being fairly accurate, should be useful to widow-allotment mongers of New Zealand as well as the *bond fide* settler. It will save the former from making childish statements, and the latter from being fooled all the time by scheming and time-serving politicians.

To-morrow the Lands Commission sits in Dargaville. May it open the eyes of all small settlers who are carried away by the bluff of pseudo-politicians and their tools (the monopolized Press) who magnify their little holdings into the same value per acre as large city centres. Again, I trust they will see it is wrong for the Government to part with the Crown lands, which belong to the people as a whole and their children's children for ever; that it is immoral to supply individuals with Government money to buy their Government leases, the unimproved value of which belongs to the whole. I would also like to see the exemption clause taken off the present Land-tax Act. This would cause much speculation in town allotments to cease, and would bring them into the market earlier.

An Act should be passed doing away with "the falling-in" system of leases. Every worker should be able to claim the full selling-price of all his necessary improvements at the end of his lease or from the ingoing tenant. If this just system were adopted we should do away with much of these short leases now in vogue with beggar-my-neighbour land-speculators. It is time the Government took the bull by the horns and passed an Act making rating on the unimproved values general right throughout New Zealand, instead of putting each county and borough to the unnecessary expense of a poll.—Yours, "The land for the people,"

Dargaville, 23rd May, 1905.

ALFRED GREGORY.

RETURNS.

Department of Lands and Survey, New Plymouth, 12th June, 1905.

As verbally requested by you, I forward herewith copy of statement previously furnished you regarding prices of lands purchased from Natives and of ultimate disposal thereof; also table showing, for the last five years, the arrears of rent, forfeitures and surrenders, transfers allowed and refused, mortgages registered, and revenue derived from Education endowments.

W. H. SKINNER,

For Commissioner of Crown Lands.

The Chairman, Land Commission, c/o Lands and Survey Department, Wellington.

ARREARS OF RENT FROM 1901 TO 1905.

Year.	Number of Selectors.	Area.			Number of Selectors in Arrear.	Area.			Amount.		
		A.	R.	P.		A.	R.	P.	£	s.	d.
1901	1,040	263,758	2	16	126	30,385	2	8	832	1	0
1902	982	278,368	1	37	106	29,120	1	24	931	10	6
1903	1,058	297,745	1	38	110	28,455	1	28	788	8	7*
1904	1,241	343,601	0	34	89	26,639	2	19	884	7	4†
1905	1,293	388,809	1	6	181	53,919	1	14	1,891	13	10‡

Total yearly rent, 1905, £19,185 16s. 4d.

* One land for settlements, £57 2s. 2d.

† Five land for settlements, £191 9s.

‡ Eight land for settlements, £403 2s. 5d.

Year.	Number of Selectors.	Area.	Number of Selectors in Arrear.	Area.	Amount.	Forfeitures.	Surrenders.	
1901	1,040	263,758	126	30,385	832 1 0	10	5	
1902	982	278,368	106	29,120	931 10 6	9	13	
1903	1,058	297,745	110	28,455	788 8 7*	12	4	
1904	1,241	343,601	89	26,639	884 7 4†	18	10	
1905	1,293	388,809	181	53,919	1,891 13 10‡	18	4	
						67	36	
						Transfers allowed.	Transfers refused.	Mortgages registered.
1901	1,040	263,758	126	30,385	832 1 0	84	8	99
1902	982	278,368	106	29,120	931 10 6	73	4	106
1903	1,058	297,745	110	28,455	788 8 7*	115	11	177
1904	1,241	343,601	89	26,639	884 7 4†	93	...	153
1905	1,293	388,809	181	53,919	1,891 13 10‡	103	1	177
						468	24	712

Lands and Survey Office, New Plymouth, 12th June, 1905.

SIR,—

Board of School Commissioners, New Plymouth, 9th June, 1905.

In compliance with the request contained in your letter of the 7th instant, 4583/195, I hand you herewith the information desired.

RENTS OF ENDOWMENTS IN THE TARANAKI DISTRICT.

Year ended 31st December.	Primary.			Secondary.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.
1904	2,788	2	0	433	1	0	3,221	3	0
1903	3,138	12	3	493	13	4	3,632	5	7
1902	2,675	9	7	467	8	7	3,142	18	2
1901	2,487	14	4	490	17	9	2,978	12	1
1900	2,609	19	8	502	15	7	3,112	15	3

You will observe that the Board's year is the calendar year, not the Government financial year ending the 31st March.

The Commissioner of Crown Lands, New Plymouth.

Yours, &c.,

F. P. CORKILL, Secretary.

[See evidence of Commissioner of Crown Lands, Taranaki.]

INFORMATION FOR LAND COMMISSION as to Blocks in Eastern and North-eastern Taranak disposed of under "The Land Act, 1892."

Name of Block.	Area.	Survey District.	Price paid by Government per Acre.	Loading for Roads per Acre.	Minimum and Maximum Prices of Disposal per Acre.
Mangaotuku	38,860	Ngatimaru ...	About 1s. 6d.	4s. 3d.	12s. 6d. to £1 12s. 6d.
Witinui	2,080	Omona, Mahoe & Taurakawa	1s. 6d.	4s. 3d.	
Taumatamahoe No. 1 ...	82,670	Ngatimaru, Pouatu, &c.	2s.	2s. 6d. to 5s.	7s. 6d. to £1 15s.
" No. 2A	19,765				
Waiarara and Taurangi	12,360	Ohura ...	2s. 6d.	4s. 2d.	12s. 6d. to 27s. 6d.
	10,000	Waro ...	2s. 9d.		
Mohakatino-Paraninihi No. 1A	34,945	Mimiand Waro	2s. 6d.	3s. 8d. to 5s. 4d.	10s. to 20s.
Ratatomokia No. 2A ...	5,626	Ohura and Aria	2s. 6d.	4s. 9d.	17s. 6d. to 35s.
" No. 1B	2,563		3s. 6d.		
" No. 2B	1,381		3s.		
Maraekowhai No. 1 ...	16,450	Pouatu ...	2s.	4s. 3d.	15s. to 20s.
Ohura South K No. 1, Section 1	25,131	Ohura & Heao	4s.	7s.	"
Ohura South K No. 1, Section 2A	5,894	"	4s.		
Ohura South K2 No. 1 ...	11,424	Ohura ...	4s.		
" K3 No. 2	459	" ...	4s.	7s.	20s. to 27s. 6d.
" K4 No. 1	1,435	" ...	4s.		
" K2 No. 2A	387	" ...	4s. 6d.		
" K4 No. 2A	385	" ...	3s. 7d.	7s.	...
" K5	10,000	" ...	3s. 6d.		
Taurangi 3B	5,064	" ...	4s.	4s. 7d.	10s. to 30s.
Mangaroa A1	590	" ...	4s.		
" B1	209	" ...	5s.		
" C1	55	" ...	4s. 6d.	7s. (average)	12s. 6d. to 32s. 6d.
Aorangi A	4,153	Totoro ...	4s.		
" 1A	672	" ...	5s.		
" 2A	156	" ...	6s.	7s. (average)	15s. to 25s.
" 1B	61	" ...	6s.		
Pukeuha A	642	" ...	4s.		
Waikaukau	4,579	Comprising portions of the Ohura, Aria, and Totoro Survey Districts, and generally known as the Mokau-Ohura country.	3s.	7s. (average)	12s. 6d. to 32s. 6d.
Umukaimata 5A	9,727		3s.		
Taurangi 1A	5,292		2s. 6d.		
" No. 2	2,500		2s. 6d.		
" No. 5	10,000		2s. 6d.		
Umukaimata No. 4 ...	11,000		2s. 6d.		
" No. 4A	5,000		2s. 6d.		
Taorua No. 1	1,591		3s.		
Mangakahikatea No. 1 ...	9,150		3s.		
Taorua No. 2B	5,608		4s.		
Umukaimata 1B	7,374	6s.			
" 5B, No. 1	5,867	3s.			
Taurangi 1B	378	3s. 6d.			
Umukaimata No. 3A ...	1,892	6s.			
Mangakahikatea 2B ...	1,752	3s.			
Taorua No. 2, A1	1,591	4s.			

NOTE.—The Mangaere Block in Ngatimaru Survey District, near Strathmore, was disposed of on the 26th October, 1892, but since that date some lands have reverted to the Crown, and are held under "The Land Act, 1892." The area comprised 7,432 acres, the loading averaged 11s. 1d. per acre, but the sections on Main Ohura Road were loaded £1 per acre; the prices varied from twenty-nine shillings to forty-five shillings per acre.

GOVERNMENT ADVANCES TO SETTLERS OFFICE.

	£
Number of applications received up to the 31st May, 1905	19,792
Amounting to	7,045,432
Number of applications on which, up to 31st May, 1905, advances were authorised	15,543
Amounting to	5,098,350
Number of applications authorised which were declined by applicants up to the 31st May, 1905	1,992
Amounting to	868,815
Balance, being amount of advances authorised to and accepted by applicants (to number of 13,551)	4,229,535

NOTE.—The amount authorised to and accepted by applicants (£4,229,535) includes mortgages repaid and reinvested on mortgage.

Classified according to provincial districts, the advances authorised are as under:—

	Number of Applications.	Amount of Loans authorised. £
Auckland	3,276	944,778
Taranaki	2,259	883,939
Hawke's Bay	947	263,420
Wellington	3,938	1,289,508
Marlborough	515	184,615
Nelson	211	59,095
Westland	215	48,740
Canterbury	1,230	333,180
Otago	2,952	1,091,075
	15,543	5,098,350

The total sum raised by the Government for investment on mortgage is £3,200,000.

The total sum invested to the 31st May amounts to £4,185,355: the repayments totalling £1,442,588 4s. 3d., leaving the actual balance of principal owing by mortgagors on mortgages of property, £2,742,766 15s. 9d.

The amounts at credit of the Assurance Fund and Debenture Sinking Fund Accounts are £125,724 15s. 6d. and £183,887 10s. 5d. respectively, making a total sum of £309,612 5s. 11d. held by the Public Trustee.

The net profits for the year ended the 31st March, 1905, amounted to £34,454 14s. 7d.

Sixty-three per cent. of the amount applied for was for the purpose of paying off existing mortgages at rates of interest higher than 5 per cent.

Arrangements have been made whereby the whole cost of mortgagee's accident indemnity insurance in respect of its mortgages will in future be borne by the Advances to Settlers Office, and mortgagors will not be called upon to pay premiums thereon falling due after the 31st March, 1905.

[For the information of the Land Commission.]

P. HEYES, Superintendent.

Government Advances to Settlers Office, Wellington, 1st July, 1905.

Valuation Department, Wellington, 16th June, 1905.

Crown Leaseholds.

FOLLOWING on my memo. of the 31st January, I have now to enclose the particulars referred to therein.

G. F. C. CAMPBELL, Valuer-General.

The Under-Secretary, Department of Lands and Survey, Wellington.

CROWN LEASEHOLDS OF THE COLONY (inclusive of Cheviot, but not including Lands leased for Timber and Mineral Purposes, or Pastoral Runs or Occupation Licenses).

Tenure.	Upset Price.	Amounts which Tenants would have to find in order to acquire Free- hold at Present Values.
Lease in perpetuity—	£	£
Land for settlements	2,629,293	2,796,821
Ordinary and V.H.I.F.S., &c.	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

G. F. C. CAMPBELL, Valuer-General.

Valuation Department, Wellington, 15th June, 1905.

CROWN LEASEHOLDS OF THE COLONY (including Cheviot but omitting Land leased for Timber, Mining, or Pastoral Purposes).

Tenure.	Upset Price.	Present Values apart from Lessee's own Improvements.
Lease in perpetuity—	£	£
Land for settlements	2,630,573	2,796,821
Ordinary and V.H.I.F.S., &c.	1,444,580	1,822,583
Small grazing-runs—		
Land for settlements	124,712	131,054
Ordinary	1,448,723	1,640,193
Perpetual lease	139,342	174,834
Occupation with right of purchase	848,045	1,043,095
	6,635,975	7,608,580

G. F. C. CAMPBELL, Valuer-General.

Valuation Department, Wellington, 16th June, 1905.

CROWN LEASEHOLDS (Cheviot Estate).

Tenure.	Upset Price.	Amounts which Tenants would have to find in order to acquire Freehold at Present Values.
Lease in perpetuity—	£	£
Land for settlements	Nil	Nil
Ordinary and village homestead, &c.	132,845	153,905
Small grazing-runs—		
Land for settlements	Nil	Nil
Ordinary	132,431	134,663
Perpetual lease	21,741	21,741
Occupation with right of purchase	Nil	Nil
	287,057	310,309

G. F. C. CAMPBELL, Valuer-General.

Valuation Department, Wellington, 15th June, 1905.

Valuation Department, Wellington, 11th April, 1905.

REFERRING to your memorandum of the 3rd instant, and your subsequent telegram, I have to return the list of Crown leaseholds for Marlborough, showing the comparison between the original valuation as fixed by the Crown Lands Department and the present unimproved value in each case. The list summarised shows the following results:—

	Original Crown Value.	Present Unimproved Value.
	£	£
Lease in perpetuity (ordinary)	71,481	106,200
Lease in perpetuity (land for settlements)	155,890	165,088*
Small grazing-runs (ordinary)	107,993	95,281†
Small grazing-runs (land for settlements)	32,363	34,816
Occupation with right of purchase	10,257	12,310
Perpetual lease	917	1,887
Held under Mining Act	648	1,690
Totals	379,594	417,272

* Crown has an interest of over £8,000 in the improvements.

† The original value in many cases represents the rental capitalised on a basis of 2½ per cent., thus making it appear high when compared with the assessed value; also the value of improvements tends to modify the comparison.

G. F. C. CAMPBELL, Valuer-General.

The Commissioner of Crown Lands, Blenheim.

ADVANCES APPROVED BY LAND BOARD (all Government Tenures).

Private Loans.—£150 at 4 per cent., £3,865 at 5 per cent., £1,000 at 5½ per cent., £2,360 at 5½ per cent., £10,050 at 6 per cent., £4,400 at 6½ per cent., £9,000 at 7 per cent., £1,820 at 8 per cent., £2,200 at 8½ per cent., £580 at 9 per cent.: total, £35,425; average, 6 per cent.

Government Loans from Government Advances to Settlers Department.—£45,500 at 4½ per cent.

MARLBOROUGH LAND DISTRICT.—SCHEDULE B.

	Number of Tenants.	Area.
"Land Act, 1892."		Aces.
Lease in perpetuity	220	102,861
Land for Settlements Acts—Lease in perpetuity ...	164*	40,396
Total	384	143,257

*This includes 62 lessees in Town of Seddon.

MARLBOROUGH LAND DISTRICT.—SCHEDULE A (all Crown Tenants up to 31st March, 1905).

	Number of Tenants.	Area.	Annual Rent.
"Land Act, 1892"—		Aces.	£ s. d.
Deferred payment	1	20	2 13 8
Perpetual lease	7	1,522	40 12 0
Occupation with right of purchase	39	10,942	511 9 5
Lease in perpetuity	239	122,474	2,855 19 4
Mining Districts Land Occupation Act	19	1,161	31 4 4
Deferred payment (village settlement)... ..	2	21	2 11 6
Perpetual lease (village settlement)	1	10	1 5 0
Lease in perpetuity	9	153	22 3 4
Village homestead special settlement (P. L.)	13	184	20 3 6
Small grazing-runs	106	207,951	2,613 13 11
Pastoral runs	67	914,183	4,044 17 2
Miscellaneous leases	85	36,343	878 7 2
Totals	588	1,294,964	11,025 0 4
Land for Settlements Acts—			
Lease in perpetuity	174	40,646	7,841 2 0
Small grazing-runs	12	23,127	1,769 1 10
Miscellaneous leases	23	3,046	107 12 4
Totals	209	66,819	9,717 16 2

MARLBOROUGH LAND DISTRICT.—SCHEDULE A1.

	Number of Tenants.	Area.
Occupation with right of purchase	38	Aces. 10,904
Lease in perpetuity	384	152,978
Small grazing-runs	120	230,451
Pastoral runs	71	933,069
Total	613	1,327,402

SUMMARY showing TOTAL AREA LOADED under the Loans to Local Bodies Acts in each Land District; also the Valuation of the Area loaded, the Amount borrowed thereon, and the Amount expended up to the 31st March, 1904.

Land District.	Areas of Blocks.	Valuation of Blocks.	Estimated Cost of Road-works, and Amount borrowed.	Total Expenditure to 31st March, 1904.
	Acres.	£	£	£ s. d.
Auckland	872,070	454,691	131,759	88,732 12 9
Taranaki	505,184	330,504	98,674	69,769 4 8
Hawke's Bay	291,492	173,612	39,868	21,673 12 2
Wellington	509,890	507,701	128,717	116,833 17 1
Nelson	Nil	Nil	Nil	Nil.
Marlborough	160,096	89,238	26,542	19,355 19 0
Westland	4,270	5,362	1,341	1,341 10 6
Canterbury	2,154	17,000	456	425 0 0
Otago	174,351	161,757	21,290	20,401 11 9
Southland	92,974	55,930	22,692	20,044 7 5
Totals	2,612,481	1,795,795	471,339	358,577 15 4

[For details see Parliamentary Paper C.-7, 1904.]

SUPPLEMENTARY STATEMENT showing EXPENDITURE ON ROADS out of LOCAL BODIES' LOANS ACCOUNT, from 1st April, 1904, to 31st December, 1904.

	Gross Expenditure.
	£ s. d.
Auckland Land District	6,009 4 9
Hawke's Bay Land District	2,345 9 8
Taranaki Land District	9,176 5 9
Wellington Land District	2,014 15 0
Marlborough Land District	154 2 4
Otago Land District	339 6 8
Total	<u>£20,039 4 2</u>

NOTES UPON WASTE CROWN LANDS IN THE TAKAKA AND COLLINGWOOD COUNTIES.

By C. LEWIS, Licensed Surveyor, of East Takaka.

SIR,—

East Takaka, 21st June, 1905.

I have the honour to acknowledge the receipt of your wire *re* Land Commission at noon to-day, so I have hastily written what I have learned as a surveyor here for the last thirty years.

I know the country well, and most of the settlers.

If it is permissible, may I ask you to hand my remarks to the Chairman of the Land Commission? I could have wished for more time to prepare them in a better form, but as it is, I have to send five miles to the Takaka Post-office, hoping to catch a mail in time for to-morrow.

Yours, &c.,

W. D. B. Murray, Esq., Acting Commissioner of Crown Lands, Nelson.

C. LEWIS.

The Land Act which gave the most satisfaction was that under which the deferred-payment system was a leading feature. I know of no case in which land was taken without being thoroughly improved and used long before the final instalment was paid.

Lease-in-perpetuity system has few, if any, supporters; in fact, but a few clauses of the Land Act are suitable, as although there are many thousands of acres of unsurveyed Crown lands, they are all mountainous, covered with bush and scrub, and of inferior quality. Residence upon such lands is almost impossible.

All of the land should be opened for application, not arbitrarily selected portions as at present, and provision be made for the resumption of the land by the Crown should any minerals be discovered.

A person desirous of taking up any of this land should have to pay a deposit of from £5 to £10, and the cost of survey be defrayed in ten annual payments, as is the case in West Australia. He should be allowed to begin felling bush as soon as his application has been approved by the Land Board. If two applications adjoin, let the applicants decide upon an approximate boundary to be defined when the survey is made. No loading for roading should be added: let the applicant make his own rough track; he would naturally select that which would be the cheapest first, which would give the surveyor at some future time a better opportunity of discovering the most suitable line of road. When found, let the track be made well, and loading made in a reasonable proportion to cost of construction.

Wherever the land is good enough to warrant felling bush, burning, logging, and grassing, a right to acquire the freehold within fifteen or twenty years should be given. If not so taken, then a revaluation should be made for a lease-in-perpetuity, and any regulations suitable under existing Land Act should apply. None of this class of land should be assessed at more than 5s. per acre. Improvements should be compulsory but not residence, and the Noxious Weeds Act enforced.

Much of the land is too poor to pay for the felling of the bush, but in a favourable season many acres can be partially burnt, and thus partially cleared. In these cases a lease for twenty years might be granted, at perhaps 2d. per acre rental, but the land so cleared should be sown with suitable hardy grasses within three months of time of burning, noxious weeds kept down, also wild pigs and goats, and areas up to 4,000 acres granted. At present an occupation license only is granted over this class of land, which can be terminated in three months. The holder cannot improve the land, as he is not supposed to either fell or burn anything on the ground, so he takes what little he can out of it quickly.

Wild pigs in the back country are now spreading the blackberry. During the season when the berries were ripe I saw pigs eating them, and saw excreta containing the seeds more than a mile away from the bushes, which were growing in a deserted camp. I also saw many acres of bush in which the undergrowth was completely stripped of leaves and bark by goats.

Then, the poorest of the land could be let under the existing occupation license—which is suitable in some cases—but the noxious weeds should be kept down.

At present a young man who has saved a few pounds, and wishes to take up land, has to pay down full survey fees, perhaps wait a year or two for survey, and when he finds himself in possession of the land he may also find that he has to go away to earn more money to keep himself in food and clothes while he is clearing the land. I am speaking now of labouring-men, and have several times had the case stated to me as I have put it. Another thing that has occurred is, that the man has fixed upon a piece which he thinks will suit him, and he has found that it is not open for application. I know of a case such as this. Three young men saw upon a Government plan that certain lands were open for selection as second-class land. Upon going into the matter they were informed that portions were withdrawn, as a District Surveyor had reported that they contained asbestos, gold, and quartz leaders. The man had not been on the ground, and the report was false practically, as I know that the land is rough limestone country. Every reasonable facility should be given to men who wish to use this land, and there are many young men willing to take advantage of any facility so given.

C. LEWIS,

Licensed Surveyor.

East Takaka, 21st June, 1905.

SCHEDULE A.
CROWN TENANTS in the NELSON LAND DISTRICT.

Tenure.	To 31st March, 1904.		Supplementary to 18th January, 1905.		Less Forfeitures and Surrenders from 31st March, 1904, to 18th January, 1905.			Grand Total on 18th January, 1905.		
	Hold-ings.	Area.	Hold-ings.	Area.	Hold-ings.	Area.	Hold-ings.	Area.		
Occupation with right of purchase ..	198	A. 39,423 R. P. 1 35	1	A. 48 R. P. 0 5	3	A. 1,118 R. P. 0 0	196	A. 38,353 R. P. 2 0		
Lease in perpetuity ..	200	58,400 3 26	27	5,496 0 24	4	3,832 2 16	223	60,064 1 34		
Small grazing-runs ..	6	8,556 0 0	..	..	..	..	6	8,556 0 0
Pastoral runs ..	70	310,520 0 0	3	1,860 0 0	1	1,000 0 0	72	311,380 0 0		
Deferred payment (ordinary) ..	223	22,881 0 29	..	..	..	..	223	22,881 0 29
(endowments) ..	2	106 1 23	..	..	..	..	2	106 1 23
Perpetual lease ..	17	3,129 0 31	..	..	..	..	17	3,129 0 31
Mining districts land occupation (ordinary) ..	15	584 2 8	5	342 0 6	..	..	20	926 2 14
Mining districts land occupation (endowment) ..	61	1,245 1 24	16	248 2 27	2	35 2 0	75	1,458 2 11		
Village-homestead special settlement (endowment) ..	20	100 3 7	..	..	..	..	20	100 3 7
Miscellaneous—										
Occupation licenses ..	146	16,462 1 4	18	1,344 3 33	1	1 2 0	163	17,805 2 37		
Reserves leases ..	43	1,989 2 8	9	455 0 8	..	..	52	2,444 2 16
Westport Harbour Board (endowment) leases ..	294	5,480 1 17	2	0 0 36	..	..	296	5,480 2 13
Miscellaneous leases ..	6	600 0 0	5	9 1 21	..	..	11	609 1 21
Totals ..	1,301	469,480 0 12	86	9,804 2 0	11	5,987 2 16	1,376	473,296 3 36		

Department of Lands and Survey,
District Office, Christchurch, 23rd June, 1905.

To the Chairman of the Land Commission.

I HAVE been looking further into the question of disposing of surrendered small grazing-runs, and find that it is not exactly as given in my reply to Mr. Anstey in my evidence before the Commission. It appears that I was confusing the "surrender" with the reoffering after refusal of the outgoing tenant to take a renewal. The question was, "When small grazing-runs are surrendered are they put up to auction?" After quoting a section of the Act of 1892 I said "Yes," but the section in question did not relate to surrender. In anticipation of the Commission's approval I have corrected my proof by substituting, "When surrendered they are thrown open for selection, but auctioned when the tenant under an expiring lease has been offered a renewal and declined it" for "Yes."

Under the Act of 1885 surrendered small grazing-runs had to go to auction—in fact, they were all auctioned—but under the Act of 1892 all are thrown open for selection excepting those of which the renewal has been declined, and such have to be auctioned. It is not surprising that I felt a little uncertainty on the point, especially as I have no recollection of ever having had a surrendered run under the Act of 1892 to deal with.

As to the *modus operandi* in connection with the case of a lease-in-perpetuity section left by will, I have again consulted the District Land Registrar about it. You will remember that I stated that the opinion of the Crown Law Officers was that the transmission to the executors did not require the consent of the Land Board, but that from the executors to the devisee constituted a transfer, and required the consent of the Land Board. But I learn that under the Land Transfer Act a devisee may apply for direct transmission with the consent of the executors, and that would be simply a transmission. If I remember rightly, such is termed a "devolution by operation of law." I am still unable to come to a decision about the operation of the limitations in such cases, and think that the point should be cleared up, so that there might be uniformity of action throughout the colony. I intend bringing the matter under the notice of the head of the Department.

I have slightly altered the tenor of my reply to Mr. Anstey in revising my evidence, anticipating the approval of the Commission to my corrections, as otherwise my first answer might mislead. A copy of the corrected reply is attached.

Will you please notify Mr. Anstey of the modification in the answers referred to, as he, being the questioner, is interested?

THOS. HUMPHRIES,
Commissioner of Crown Lands.

There has been a good deal of doubt as to the right of a lease-in-perpetuity holder to leave his property by will. Will you explain the true position of that matter?—On the death of a lease-in-perpetuity holder who leaves the leasehold by will there is, in the ordinary course, a transmission to the executors, over which the Board has no control. Since two of the Commissioners spoke to me on the subject yesterday I have ascertained that the opinion of the Crown Law Officers has been obtained on this question, and it is to the effect that the acquisition of the property by the devisee from the executors is a "transfer," and consequently needs the approval of the Land Board. The approval appears to be in a degree somewhat of a formal matter. I am not aware of the practice followed in most of the districts, but I believe that in Wellington, as well as in Canterbury, the District Land Registration Office has hitherto dealt with such cases, and the change of proprietorship is recorded in the books of the Land Office.

In case of its being left to the wife, you have to approve the transfer?—We have not done so yet. There are several widows so situated in Canterbury, but we have had no trouble in their cases. A widow can apply for transmission and, with the consent of the executor, obtain it; in which case it would not be a transfer, and presumably would not require the approval of the Land Board.

SCHEDULE SHOWING CROWN LANDS AVAILABLE FOR SETTLEMENT AND THE AREA OF NATIVE LANDS.

	Acres.
Crown lands fit for occupation on settlement conditions	235,686
Native lands which have passed the Native Land Court and are still in the hands of Maoris, and fit for occupation on settlement conditions	734,173
Native lands which have passed the Native Land Court, and are fit for occupation as runs under pastoral license	532,380
Native lands which have not passed the Native Land Court, and which are fit for occupation on settlement conditions	184,842
Native lands which have been handed over or are about to be handed over to Maori Land Councils	41,429

Napier, 20th June, 1905.

TENURES CURRENT IN THE NELSON LAND DISTRICT.

Tenure.	Act.	Limit of Holding.	Term.	Rental.	Survey Fees where Land unsurveyed.	Residence.	Improvements.	Remarks.
Perpetual lease ...	Part IV., "Land Act, 1885"	Maximum, 640 acres	Years. 30	5 per cent. on capital valuation—subject to tender	Necessary ...	Necessary for six years	10 per cent. in one year, 10 per cent. in two years, 10 per cent. in six years	Renewable on revaluation, purchasable on completion of improvements. Residence conditions may be dispensed with under Amendment Act, 1888.
Deferred payment under Appendix C, "Land Act, 1885"	Appendix C, "Land Act 1885 Amendment, 1887"	Maximum, 640 acres	14	10 per cent. on capital valuation. Capital valuation, 10s. to £2 per acre	Necessary, but do not form part of purchase-money	No residence conditions	No improvement conditions	Freehold obtainable on completion of term, or at any time during currency by payment of balance of rents. Practically bulk of Nelson deferred-payment leases have capital value of 10s. Renewable for periods of twenty-one years. Land held on perpetual lease without right of acquiring freehold.
Village - homestead special settlement	Part V., "Land Act, 1885"	Maximum, 50 acres	30	5 per cent. on capital valuation. Minimum capital valuation £1 per acre and 5 per cent. on any sum advanced	Unnecessary	Necessary ...	1 acre to be cultivated within two years, half of remainder within four years. Dwelling-house to be erected within six months. In bush lands felling to begin immediately	
Lease in perpetuity	"Land Act, 1892"	2,000 acres second class	999	4 per cent. on capital valuation. Minimum capital valuation, 5s. per acre, second class	Necessary, but credited as rent. (Now unnecessary)	Necessary ...	10 per cent. of capital value in one year, 10 per cent. of capital value in two years, 10 per cent. of capital value in six years, and in addition substantial improvements to value of capital value	...
Occupation with right of purchase	"Land Act, 1892"	2,000 acres second class	25	5 per cent. on capital valuation. Minimum capital valuation, 5s. per acre, second class Fixed by Land Board	Necessary, but credited as rent	Necessary ...	Same as above	Purchasable within ten years. If not purchased, renewable as lease in perpetuity on revaluation.
Occupation license and pastoral license	Section 116, "Land Act, 1892"	No limit	Yearly ...		Unnecessary	No residence conditions	No improvement conditions	Temporary occupation, subject to three months' notice.
Miscellaneous leases	Section 111, "Land Act, 1892"	"	14	5 per cent. on upset price	"	Ditto ...	Ditto ...	...

TENURES CURRENT IN THE NELSON LAND DISTRICT—continued.

Tenure.	Act.	Limit of Holding.	Term.	Rental.	Survey Fees where Land unsurveyed.	Residence.	Improvements.	Remarks.
Pastoral lease within mining district	Section 4, "Land Act, 1892," and section 38, "Mining Act, 1898"	25 acres to 1,000 acres	Years. 21	Fixed by Land Board; minimum, 2s. 4d. per acre	Unnecessary except in special cases, when 1s. 6d. per acre charged as minimum, to be credited as rent	Not compulsory	As under section 199, "Land Act, 1892." Substantial improvements to value 4s. per acre within three years	Renewable by Land Board for twenty-one years, subject to Warden's approval and section 207, "Land Act, 1892." Subject to mining privileges issued by Warden, road and water rights
Small grazing-runs	Part V, "Land Act, 1892"	First-class, 5,000 acres; second class, 20,000 acres	21	Minimum, 2½ per cent. on capital valuation	Unnecessary	Necessary	Substantial improvements to value of one year's rent within one year; to value of one year's rent within two years; to value of other two years' rent within six years; and on bush land other substantial improvements to value of 10s. per acre if first-class, 5s. if second-class land	Renewable after revaluation under section 182 of "Land Act, 1892." If not renewed, valuation of improvements to be paid by incoming tenant to late lessee.
Pastoral runs	Part V, "Land Act, 1892"	No limit	21	Fixed by Land Board	Unnecessary	Necessary	Under section 199, "Land Act, 1892"	Under section 199, "Land Act, 1892."
Pastoral runs	Section 219, "Land Act, 1892"	"	Maximum, three years	Ditto	"	Not necessary	No improvement conditions	Temporary grazing licenses.
Mining districts land occupation leases	Mining Districts Land Occupation Act, 1894"	100 acres	21	Fixed by Board; minimum, 6d. per acre	Necessary; but credited to rent	Necessary	Ditto	Subject to mining privileges granted by Warden. Applications to be advertised twice.
Westport Harbour Board endowments— Town leases ... Mineral " ...	"Nelson and Westland Coalfields Administration Act, 1866," and amendments	... ...	42 99	Fixed by Board royalty fixed by Land Board	Unnecessary "	... ...	... ...	... ...

LEASES held by LESSEES as TENANTS - IN - COMMON in HAWKE'S BAY LAND DISTRICT on the 16th June, 1905.

[See evidence Commissioner of Crown Lands, Hawke's Bay.]

Tenure.	Lessee.	Section.	Block.	District.	Area.			Consideration.
					A.	R.	P.	
O.R.P.	Abberton and Iverson	2	IX.	Ngatapa	1,405	0	0	..
L. in P.	Amandsen, A. and L. W.	3	VIII.	Norsewood	200	0	0	..
O.R.P.	Andrew and Wilson	37	III.	"	310	0	0	..
Small grazing-run	Barclay and McLachlan	Run	No. 71	Matakaoa	8,717	0	0	..
O.R.P.	Barnett, A. and A. W.	1	XVII.	Woodville	254	0	0	..
L. in P.	Baines, H. C. H. and A.	1	VII.	Mangatoro	450	0	0	..
Land for settl'm'ts	Balfour and Poulton	17	XIV.	Waipukurau (Lindsay Settlem't)	191	0	0	..
"	Beamish, Finch, and Schott	(3 14	XII. VIII.	Ruataniwha (Forest Gate)	643	2	20	..
Small grazing-run	Black, S. and J. A.	Run	No. 16	Nuhaka	1,983	0	0	..
"	Bond and Morgan	Run	No. 75	Mangatoro	4,910	0	0	..
Land for settl'm'ts	Boyd and Lowe	1	X.	Waipukurau (Lindsay)	146	2	0	..
L. in P.	Bridge, W. W. and C. H.	10	VII.	Motu	1,178	0	0	..
O.R.P.	Castles, J. and J. V.	2	VII.	Mangatoro	369	0	0	..
Land for settl'm'ts	Carswell and Hogg	1	XI.	Ruataniwha (Forest Gate)	399	0	0	190
Small grazing-run	Clarke, J. and C. H.	Run	No. 72	Mangaoporo	2,258	0	0	..
L. in P.	Clegg, R. W. and W. E.	2	XV.	Takapau	276	0	0	..
O.R.P.	Cole, G. W. and H. S.	1	XIII.	Whangara	410	0	0	1,000
Land for settl'm'ts	Cosser and Rood	3	IV.	Ruataniwha (Lindsay)	896	0	0	..
Small grazing-run	Cotterill and Trampton	Run	No. 55	Tokomaru and Tutamoe	5,038	0	0	1,600
Land for settl'm'ts	Davidson, R. and M.	2	IV.	Ruataniwha (Lindsay)	874	0	0	..
Pastoral run	Death and Ryder	Run	No. 5	Mohaka	8,519	0	0	..
Small grazing-run	Dickin and Ormond	Run	No. 17	Nuhaka	2,263	0	0	..
"	Fitzgerald, J. G. M. and M.	Run	No. 46	Tokomaru and Uawa	5,000	0	0	..
"	Fletcher, A. and others	Run	No. 73	Mangatoro	4,020	0	0	90
O.R.P.	Francis, W. and T. W.	11	VII.	"	491	0	0	..
Land for settl'm'ts	Fraser and Wilkinson	5	VIII.	Ruataniwha (Forest Gate)	41	3	28	..
Pastoral run	Gamble and Pearse	Run	No. 10	Nuhaka and Waitara	11,568	0	0	..
O.R.P.	Gillanders, J. R. and G. H.	3	XIII.	Nuhaka N.	360	0	0	900
"	Goldfinch, A. and G. J.	7	XIII.	"	857	0	0	..
L. in P.	Grace and O'Brien	6	XV.	Motu	890	0	0	..
O.R.P.	Green, E., and Henson, R.M.	5	VI.	"	1,200	0	0	..
Land for settl'm'ts	Groome and Wright	1	XV.	Maraekakaho (Argyll Settlem't)	913	0	0	..
Pastoral run	Guthrie, Smith, and Stuarts	Run	No. 6	Waitara	5,817	0	0	..
"	Hallett and Couper	Run	No. 13	Kuripapanga	19,500	0	0	..
O.R.P.	Harker, A. and J. H.	1	I.	Urutawa E.	1,840	0	0	..
"	Heald, H. F. C. A. and G. W.	4	III.	Mangaoporo	511	0	0	300
L. in P.	Peti, Henare and Himi	4	I.	Waipapu	1,017	0	0	..
"	Henare te Owai and Henare Nahuika	1	XV.	Matakaoa	1,093	0	0	..
Land for settl'm'ts	Hewitt and Fasstier	6	VII.	Ruataniwha (Forest Gate)	637	0	0	..
L. in P.	Hone Ngata and Hopa Hemara	5	I.	Waipapu	1,019	0	0	..
Land for settl'm'ts	Houston and Kelly	2	V.	Motuotaria	704	0	0	..
Small grazing-run	Howell and Harrison	Run	No. 79	Waikaremoana (Tuahu)	2,292	0	0	..
Pastoral run	Hutchinson, M. and A.	Run	No. 47	Ngatapa (Hangaraoa)	19,649	0	0	..
Land for settl'm'ts	Lane and Mitchell	4	XV.	Maraekakaho (Argyll Settlem't)	607	0	0	..
"	Little, W. and J. T.	9	II.	Waipukurau (Argyll Settlem't)	792	0	0	..
"	Love and Hodge	2	VIII.	Waimata (Waimani)	28	0	0	60
O.R.P.	Lucas and Phillips	25	II.	Motu	640	0	0	..
Land for settl'm'ts	Maulder and others	17	XI.	Waipukurau (Lindsay)	352	0	0	..
Small grazing-run	Mitchell and McDonald	Run	No. 14	Mocangiangi	1,928	2	0	..
O.R.P.	Mortensen, P. and S.	23	II.	Motu	450	0	0	..
"	Munro and Gillanders	4	XIII.	Nuhaka N.	372	0	0	..
"	"	8	XIII.	"	404	0	0	..
Land for settl'm'ts	MacDougall and White	6	XIII.	Mangatoro	390	0	0	..
L. in P.	McKenzie J. and McR. D.	8	XI.	Motu	600	0	0	..
Small grazing-run	McLachlan and Barclay	Run	No. 71	Matakaoa	8,717	0	0	..
O.R.P.	Nielson, J. E. and N.	4	VII.	Mangatoro	344	0	0	..
Land for settl'm'ts	Oliver, G. Y. and J.	7	II.	Waipukurau (Argyll)	327	0	0	..
O.R.P.	Olsen, E. and A. T. O.	3	V.	Mangatoro	240	2	0	..
L. in P.	Paraone Timi and Paami	4	IX.	Nuhaka N.	861	0	0	10
Land for settl'm'ts	Parker and Fleming	1	IV.	Ruataniwha (Lindsay Sett.)	733	0	0	..
Small grazing-run	Penty, F. and A.	Run	No. 83	Tuahu	2,946	0	0	..
O.R.P.	Pickett, T. and J.	8	VI.	Mangatoro	640	0	0	..
Small grazing-run	Poppelwell, J. and F. J.	Run	No. 38	Mangapai (Waiiau)	7,069	0	0	..
"	Potter, E., and others	Run	No. 9	Pohui	2,534	0	0	..
Land for settl'm'ts	Price, A. N. M. and L.	18 6	XVI. XIV.	Tahoraite Mangatoro	501	1	0	..
L. in P.	Riddle, J. G. and P. A.	15	XV.	Nuhaka N.	770	0	0	..
"	Rosenbeck, B. N. and F.	2	XV.	Mangatoro	1,157	0	0	..
"	Shaw, A., and others	2	XIV.	Motu	2,000	0	0	..
O.R.P.	Simcox, E. T. and F. G.	3	VIII.	Mangatoro	1,390	0	0	..
"	Smith, A. and A. G.	6	XI.	Motu	400	0	0	..
"	Snaddon, A. and J.	10	XV.	Takapau	319	0	0	..
Pastoral run	Tait and Mills	Run	No. 7	Pohui and Maungaharuru	3,990	2	0	..
O.R.P.	Tame Mete and others	3	XVI.	Opoiti	481	0	0	..
"	Taylor, G. I. and E. H.	3	IV.	Urutawa E.	360	0	0	..
"	Warrington, J., and others	15	VII.	Mangatoro	672	0	0	..
L. in P.	West, J. J. and G.	3	VII.	"	383	0	0	..
O.R.P.	West, T. and W.	4	II.	"	383	0	0	..
L. in P.	Whyte, W. and D. jun.	25	X. and XIV.	Hangaraoa	375	0	0	..
Land for settl'm'ts	Wilson, J. A., and others	35	XIII.	Tahoarite (Kumeroa)	726	0	0	..
"	Wright, G. and A.	7	XII.	Tahoraite (Mangatoro)	462	0	0	..
Small grazing-run	Young and Brown	Run	No. 26	Hangaraoa	1,250	0	0	..

E. C. GOLD SMITH,
Commissioner of Crown Lands, Hawke's Bay Land District.

SCHEDULE of all CROWN TENANTS in the HAWKE'S BAY LAND DISTRICT.

Tenure.	Number of Tenants to 31st March, 1904.			Number of Tenants to 31st March, 1905.		
	Number of Selectors.	Area.	Annual Rent.	Number of Selectors.	Area.	Annual Rent.
Deferred payment	3	A. 2,140 R. P. 1 13	£ 87 s. 10 d. 2	2	A. 1,829 R. P. 1 13	£ 76 s. 14 d. 8
Perpetual lease	30	9,772 0 6	652 11 7	26	8,007 2 36	579 5 9
Occupation with right of purchase	225	103,933 2 0	4,586 5 11	234	117,068 3 15	5,051 3 5
Lease in perpetuity	187	103,957 0 9	3,292 2 3	194	105,379 1 37	3,323 8 9
Village Settlement—						
Occupation with right of purchase	8	6 2 8	2 0 0	6	4 2 8	1 12 6
Lease in perpetuity	66	652 3 24	110 7 4	66	652 3 24	110 7 4
Perpetual lease	4	51 0 17	9 18 2	4	51 0 17	9 18 2
Special settlement lease in perpetuity	14	3,111 0 19	101 16 0	14	3,111 0 19	101 16 0
Improved-farm settlement	17	1,916 0 0	246 4 3	17	1,916 0 0	246 4 3
Small grazing-runs	81	235,016 3 2	2,586 10 8	85	242,548 3 2	2,735 5 0
Pastoral runs	15	106,239 2 0	662 6 8	14	104,665 2 0	636 2 0
Miscellaneous leases	78	49,420 2 36	977 9 6	80	68,765 3 38	1,046 13 10
Native townships	81	527 0 4	385 16 6	82	516 2 37	387 13 0
Land for Settlements Acts—						
Lease in perpetuity	328	92,310 0 19	29,203 18 6	334	94,255 1 5	29,908 11 2
Lease in perpetuity, village	15	34 3 16	23 8 0	17	35 2 16	24 12 0
Small grazing-runs	14	16,854 0 0	3,971 10 0	15	17,795 0 0	4,115 11 10
Miscellaneous	7	362 2 27	112 6 0	9	384 2 5	126 3 6
Totals	1,173	726,336 1 0	47,012 1 6	1,199	766,988 1 32	48,481 3 2

SCHEDULE of CROWN TENANTS, HAWKE'S BAY LAND DISTRICT, as at 31st March, 1905.

Tenure.	Number of Holdings.	Area.	Yearly Rent.
Occupation with right of purchase	240	A. 117,073 R. P. 1 23	£ 5,052 s. 15 d. 11
Lease in perpetuity	625	203,434 1 21	33,468 15 3
Small grazing-runs	100	260,343 3 2	6,850 16 10
Pastoral runs	14	104,665 2 0	636 2 0
Totals	979	685,517 0 6	46,008 10 0

SCHEDULE of CROWN TENANTS, HAWKE'S BAY LAND DISTRICT, as at 31st March, 1905.

Tenure.	Number of Holdings.	Area.	Yearly Rent.
Lease in perpetuity, land for settlements	351	A. 94,290 R. P. 3 21	£ 29,933 s. 3 d. 2
Lease in perpetuity (ordinary)	274	109,143 2 0	3,535 12 1
Totals	625	203,434 1 21	33,468 15 3

SUMMARY of CROWN TENANTS in TARANAKI LAND DISTRICT.

Tenure.	Selections up to 31st March, 1904, excluding forfeitures, &c., to date.		Selections up to 9th March, 1905.	
	Number.	Area.	Number.	Area.
Deferred payment	6	A. 1,134 R. P. 0 0	...	A. R. P.
Perpetual lease	16	4,601 0 16	...	...
Occupation with right of purchase	329	125,902 0 19	21	14,254 3 15
Occupation, village settlement	10	9 1 0	...	...
Lease in perpetuity	385	120,737 2 28	48	32,913 2 19
Village settlement	12	97 0 19	...	...
Farm homestead	85	16,064 2 23	...	...
Improved-farm settlement	131	11,822 0 39	...	...
Land for settlements	34	2,427 0 19	...	...
Small grazing-runs	17	16,654 2 6	...	...
Totals	1,025	299,449 3 9	69	47,168 1 34

RETURN showing the AREAS OF NATIVE LANDS IN THE NORTH ISLAND which have and which have not passed the NATIVE LAND COURT, giving Areas fit and unfit for Settlement Purposes.

District.	Area passed Court.	Area not passed Court.
Auckland ...	Acres. 2,749,298 fit for settlement	Acres. 664,821 fit for settlement.
	772,114 unfit	16,732 unfit
	3,521,412	681,553
Hawke's Bay ...	734,173 fit for settlement	184,842 fit for settlement.
	532,380 unfit	...
	1,266,553	184,842
Taranaki ...	378,300 fit for settlement	not given.
	22,400 unfit	"
	400,700	
Wellington ...	1,077,052 fit for settlement	41,760 fit for settlement.
	237,069 unfit	80,540 unfit
	1,314,121	122,300
Summary ...	4,938,823 fit for settlement	891,423 fit for settlement.
	1,563,963 unfit	97,272 unfit
Totals ...	6,502,768	988,695

NOTE.—The above return has been compiled from data supplied by Commissioners of Crown Lands, in response to Circular No. 581, issued on the 24th July, 1903 (L. & S. 50902/2).

STATEMENT showing the TOTAL NUMBER of CROWN TENANTS, with Area selected or held, the Yearly Rent payable, and Rent in arrear on 31st March, 1905.

Tenure.	Total Number of Tenants.	Total Area held by such Tenants.	Total Yearly Rental or Instalment payable.	Total Amount of such Rents or Payments in Arrear.
ORDINARY CROWN LANDS.				
Deferred payment..	312	A. 55,178 3 2	£ s. d. 2,584 5 1	£ s. d. 44 0 8
Perpetual lease ..	640	121,378 1 18	4,580 2 5	185 0 8
Occupation with right of purchase ..	4,151	1,193,646 1 15	43,667 0 4	1,855 12 9
Lease in perpetuity ..	4,322	1,243,495 0 15	39,943 9 1	1,489 10 4
Agricultural lease ..	17	542 1 30	22 16 9	..
Homestead ..	..	..	..	..
Mining Districts Land Occupation Act ..	510	22,207 0 13	1,310 0 8	43 0 9
Village settlements—				
Deferred payment ..	20	378 3 28	32 0 8	..
Perpetual lease ..	136	2,049 2 20	303 10 6	15 10 8
Occupation with right of purchase ..	31	22 3 4	10 17 8	0 3 0
Lease in perpetuity ..	511	9,388 2 34	778 12 2	25 13 8
Village-homestead special settlements—				
Perpetual lease ..	346	6,350 1 26	838 15 9	132 9 4
Lease in perpetuity ..	710	16,619 1 27	2,462 11 6	109 4 5
Special-settlement associations—				
Deferred payment ..	..	..	..	..
Perpetual lease ..	13	768 0 26	55 14 0	0 8 5
Lease in perpetuity ..	645	116,521 0 8	6,008 7 9	469 10 7
Improved-farm special settlements ..	592	75,370 1 28	3,255 17 2	823 5 0
Small grazing-runs ..	646	1,352,918 1 37	27,291 19 10	932 1 4
Pastoral runs ..	860	11,386,416 2 12	72,768 14 6	200 15 0
Miscellaneous leases ..	2,891	645,310 0 33	12,222 19 8	739 14 8
Totals ..	17,353	16,248,562 3 16	218,137 15 6	7,066 1 3
CHEVIOT ESTATE.				
Lease in perpetuity ..	119	24,403 1 9	6,456 5 0	73 15 2
Village-homestead special settlement ..	92	2,480 1 0	869 10 4	14 5 1
Grazing-farms ..	50	46,020 1 6	6,912 14 0	..
Pastoral runs ..	1	1,642 0 0	193 3 8	..
Miscellaneous ..	71	1,434 2 24	320 17 8	13 17 0
Totals ..	333	75,980 1 39	14,752 10 8	101 17 3

STATEMENT showing the TOTAL NUMBER of CROWN TENANTS, &c.—continued.

Tenure.	Total Number of Tenants.	Total Area held by such Tenants.		Total Yearly Rental of Instalment payable.		Total Amount of such Rents or Payments in Arrear.	
		A.	S. P.	£	s. d.	£	s. d.
LAND FOR SETTLEMENTS ACTS.							
Lease in perpetuity	2,898	497,909	2 35	147,282	6 7	5,247	5 0
Lease in perpetuity, village	48	448	2 20	841	15 10	8	6 7
Special-settlement associations	11	2,114	1 9	162	7 8	..	..
Small grazing-runs	78	128,861	1 16	17,288	11 2	508	18 4
Pastoral runs	2	953	2 88	121	18 0	..	..
Miscellaneous	155	12,652	0 5	1,189	4 18	27	18 8
Totals	3,127	642,989	8 3	166,280	18 11	5,787	8 7
Thermal Springs (Rotorua)	288	6,071	0 24	1,973	16 4	127	7 8
Grand totals	21,096	16,978,554	1 2	401,145	1 5	18,082	14 9
Endowments	787	890,494	8 21	14,514	7 4	207	15 4
Native townships	886	388	0 88	1,882	5 8	111	19 8

SUMMARY OF LANDS ABSOLUTELY DISPOSED OF FROM THE FOUNDATION OF THE COLONY, WITH TOTAL CASH RECEIVED TO THE 31st MARCH, 1905.

Land District.	Total Area sold and held on Freehold.		Total Area granted or reserved under Acts.		Total Area sold or otherwise finally disposed of from the Foundation of the Colony.		Total Cash received to the 31st March, 1905, exclusive of Rents.		Total Area disposed of on Leasehold Tenures of a Permanent Character.		Total Area open for Selection on 31st March, 1905.		Total Area remaining for Future Disposal, exclusive of Area in preceding Column, of Native Lands, and of Pastoral Leases.		
	A.	R. P.	A.	R. P.	A.	R. P.	£	s.	d.	A.	R. P.	A.	R. P.	A.	R. P.
Auckland	2,078,622	2 16	3,440,169	3 18	5,518,792	1 34	853,936	0	9	1,052,220	0 21	903,667	0 0	795,832	0 0
Hawke's Bay	1,423,566	3 26	381,652	3 3	1,805,219	2 29	718,564	8	0	583,097	1 11	55,387	0 0	224,836	0 8
Taranaki	435,780	3 9	689,023	0 31	1,124,804	0 0	855,676	3	1	380,147	0 3	133,898	3 5	230,000	0 0
Wellington	2,192,499	0 34	1,321,200	1 36	3,513,699	2 30	2,442,564	14	6	563,567	0 37	95,769	0 0	390,539	1 31
Nelson	500,218	2 14	845,689	3 12	1,345,908	1 26	455,448	17	3	127,945	3 3	310,117	2 20	2,914,289	0 0
Marlborough	853,550	3 7	216,490	2 17	1,070,041	1 24	342,447	8	2	408,211	2 27	130	0 0	155,000	0 0
Westland	66,612	0 20	131,877	2 22	198,489	3 2	75,866	6	10	54,503	1 9	109,646	0 0	2,847,811	1 4
Canterbury	3,532,831	3 33	1,548,431	3 15	5,076,263	3 8	6,466,876	0	8	536,127	1 33	7,287	0 0	628,093	1 3
Otago	2,064,554	1 24	698,421	0 19	2,762,975	2 3	2,213,883	15	6	915,820	3 10	156,577	0 35	443,105	0 0
Southland	1,595,280	1 17	2,920,615	1 23	4,515,895	3 0	1,896,622	4	1	284,888	3 14	140,499	0 0	506,720	0 0
Totals	14,743,517	3 0	12,186,572	2 36	26,932,090	1 36	16,321,865	18	10	4,906,529	2 8	1,912,978	2 20	9,136,226	0 6

RETURN of GROSS REVENUE RECEIVED during the Year ended 31st March, 1905.

System.	Auckland.	Hawke's Bay.	Taranaki.	Wellington.	Nelson.	Marlborough.	Westland.	Canterbury.	Otago.	Southland.	Totals.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
ORDINARY CROWN LANDS.											
Cash lands	2,603 0 9	857 6 0	3,909 1 0	4,808 8 2	1,834 8 2	461 5 0	559 15 6	1,456 16 1	1,523 12 0	841 6 4	18,854 19 0
Perpetual lease made freehold	3,547 17 8	1,141 12 0	1,534 11 0	1,067 17 8	322 0 0	79 0 0	.. .. .	389 18 4	2,140 4 2	628 4 8	10,846 5 6
Occupation with right of purchase made freehold	4,271 19 6	1,548 13 6	937 3 10	12,579 17 1	284 18 3	159 15 0	.. .. .	281 11 0	.. .. .	678 13 2	20,742 16 4
Village-settlement perpetual lease made freehold .. .. .	.. .. .	.. .. .	.. .. .	36 19 2	.. .. .	.. .. .	.. .. .	75 0 0	46 0 0	28 3 3	181 2 5
O.R.P. made freehold .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	38 10 0
Deferred payment, rural	378 18 2	220 14 3	85 3 11	36 11 5	1,156 9 2	12 6 3	.. .. .	364 14 6	388 16 1	350 6 5	2,994 0 2
Deferred payment, pastoral .. .. .	.. .. .	42 10 0	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1,340 2 6	842 7 4	138 4 8	2,858 4 6
Perpetual lease and small areas	912 16 3	288 15 10	184 18 8	428 13 10	45 2 5	43 13 4	48 10 2	217 10 3	1,559 13 0	471 9 0	4,151 2 9
Occupation with right of purchase	11,569 6 4	4,508 9 4	5,394 10 5	9,766 1 11	569 11 7	430 4 0	553 17 6	2,595 16 3	1,044 19 7	1,309 5 2	35,406 2 1
Lease in perpetuity	6,182 8 6	3,235 15 2	4,087 18 10	5,815 14 2	783 0 5	2,578 9 11	969 16 5	3,764 15 9	4,529 10 10	1,747 1 7	33,684 11 7
Agricultural lease .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	11 13 10	.. .. .	11 13 10
Occupation lease under "The Mining Districts Land Occupation Act, 1894"	352 13 4	.. .. .	.. .. .	.. .. .	57 0 6	30 17 7	2 9 0	.. .. .	262 11 6	118 10 0	324 1 11
Village settlement, cash .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	6 0 0	.. .. .	.. .. .	.. .. .	6 0 0
Village settlement, deferred payment .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	15 9 6	2 19 4	7 12 3	28 10 4
Village settlement, perpetual lease .. .. .	.. .. .	.. .. .	.. .. .	0 3 1	.. .. .	1 2 6	.. .. .	112 18 10	30 13 3	154 15 7	299 13 3
Village settlement, occupation with right of purchase .. .. .	.. .. .	1 12 11	3 0 11	.. .. .	.. .. .	.. .. .	.. .. .	4 19 11	0 12 0	3 2 1	13 7 10
Village settlement, lease in perpetuity	114 18 6	52 13 2	13 9 2	1,764 6 1	.. .. .	22 7 10	6 8 7	8 17 4	142 5 0	332 0 10	693 0 5
Village-homestead special settlement	220 13 1	61 13 7	.. .. .	.. .. .	.. .. .	14 8 0	.. .. .	781 7 11	148 7 1	128 7 6	3,119 3 3
Special-settlement association, deferred payment .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Special-settlement association, perpetual lease	350 6 1	70 5 8	642 9 4	4,270 7 1	.. .. .	.. .. .	.. .. .	64 5 10	109 8 4	.. .. .	64 5 10
Special-settlement association, lease in perpetuity	206 4 11	209 1 8	773 3 0	2,050 6 5	.. .. .	.. .. .	.. .. .	27 12 6	.. .. .	.. .. .	5,470 9 0
Improved-farm special settlement	423 6 5	2,350 13 10	235 17 4	1,979 6 0	52 6 1	2,685 6 11	.. .. .	.. .. .	12,930 12 10	302 18 11	3,541 14 11
Small grazing-runs	613 17 7	799 4 4	.. .. .	1,605 12 0	552 1 6	3,974 9 3	731 11	682,959 19 4	26,552 14 7	3,612 11 2	26,974 18 3
Pastoral runs	498 4 5	.. .. .	.. .. .	.. .. .	715 0 8	.. .. .	126 9 0	100 0 8	1,352 12 9	155 6 10	71,402 1 3
Coal and mineral leases .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	97 10 0	.. .. .	.. .. .	11 10 0	.. .. .	.. .. .	2,947 14 4
Prospectors' mining leases .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	216 1 9	473 3 6	109 0 0
Timber licenses and other leases, and sale of timber	19,203 8 1	264 4 0	2 1 0	1,287 10 3	1,305 19 5	163 7 11	695 1 8	268 15 11	.. .. .	.. .. .	34,819 12 8
Flax-cutting	181 18 6	.. .. .	.. .. .	25 0 0	10 7 0	18 8 9	166 18 4	.. .. .	70 10 8	175 17 4	649 0 7
Miscellaneous	925 13 10	1,543 19 2	96 0 7	440 0 6	205 6 6	89 0 9	289 9 0	.. .. .	933 16 2	.. .. .	4,523 6 6
Transfer, lease, and license fees, &c.	722 16 6	161 17 0	162 3 0	410 6 0	143 10 6	76 12 0	164 9 0	302 10 0	304 9 6	234 3 0	2,682 16 6
Rents of reserves	117 17 3	0 7 6	262 12 4	648 14 9	247 19 3	605 7 9	25 6 6	2,939 9 10	92 4 10	837 10 11	5,777 10 11
Miscellaneous	359 11 8	79 4 10	75 12 6	626 5 5	664 0 11	25 14 6	44 12 6	186 14 3	338 6 6	67 11 5	2,467 14 6
Crown-grant fees	155 13 4	25 3 8	99 2 4	75 12 9	86 19 10	13 18 6	8 0 0	40 10 1	85 16 9	52 8 6	643 5 9
State forests .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	473 15 9	117 2 4	2,625 9 8	15,836 2 0
Survey liens on Native lands	11,770 3 3	95 13 1	.. .. .	418 19 9	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	1,255 19 10
Survey fees which do not form part of payment of land	741 7 0	227 10 0	45 14 8	15 0 0	19 17 9	.. .. .	.. .. .	99 9 5	42 12 2	12 0 0	462 4 0
Survey fees which do form part of payment of land	24 19 8	.. .. .	.. .. .	.. .. .	15 0 0	.. .. .	.. .. .	.. .. .	132 0 0	.. .. .	171 19 8
Carried forward	66,450 0	717,747 5	618,573 3	10,501,192 13	9,168 9 11	12,242 15	815,398 14	852,076 15	55,952 14	2,16,260 9 0	314,063 1 8

RETURN of GROSS REVENUE RECEIVED during the Year ended 31st March, 1905.—continued.

System.	Auckland.	Hawke's Bay.	Taranaki.	Wellington.	Nelson.	Marlborough.	Westland.	Canterbury.	Otago.	Southland.	Totals.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Brought forward ..	66,450 0	717,747 5	618,573 3	1050,192 13	0 9,168 9	1112,242 15	815,398 14	852,076 15	455,952 14	216,260 9	314,063 1
LAND FOR SETTLEMENTS.											
Cash lands ..	85 0 0	10 0 0	..	..	..	..	..	87 17 3	3 10 0	35 0 0	221 7 3
Lease in perpetuity ..	10,584 15	1129,145 7	1,760 6	8,702 10	9 ..	7,893 19	585 18	544,908 15	917,898 12	7,950 15	129,431 2
Lease in perpetuity, village ..	..	22 4 0	..	..	..	..	..	..	312 15 9	..	334 19 9
Special-settlement associations ..	..	..	..	..	..	..	..	140 4 3	..	..	140 4 3
Small grazing-runs ..	36 19 0	4,540 7 3	..	171 13 4	..	1,456 11 4	..	8,821 15 10	459 19 7	181 17 4	15,669 3 8
Pastoral runs..	..	..	..	..	..	..	..	..	121 13 0	..	121 13 0
Miscellaneous ..	804 2 6	560 17 0	383 1 10	285 1 0	..	270 19 4	..	700 19 9	181 11 3	776 1 1	3,962 13 9
Totals ..	11,510 17	534,278 15	2,143 8 9	9,159 5 1	..	9,621 9 11	585 18	554,659 12	1018,978 2	8,943 13 9	149,881 3 10
CHEVIOT ESTATE.											
Cash sales] ..	..	..	..	..	..	..	..	450 0 0	..	..	450 0 0
Lease in perpetuity ..	..	..	..	..	..	..	..	5,834 0 3	..	..	5,834 0 3
Village homesteads ..	..	..	..	..	..	..	..	817 5 6	..	..	817 5 6
Grazing-farms ..	..	..	..	..	..	..	..	7,705 5 11	..	..	7,705 5 11
Pastoral runs..	..	..	..	..	..	..	..	193 3 8	..	..	193 3 8
Miscellaneous leases ..	..	..	..	..	..	..	..	280 9 0	..	..	280 9 0
Miscellaneous ..	..	..	..	..	..	..	..	11 5 0	..	..	11 5 0
Totals ..	..	..	..	..	..	..	..	15,291 9 4	..	..	15,291 9 4
Endowment lands ..	867 2 11	336 7 7	627 14 4	47 11 9	15,250 14 8	..	2,088 17 9	2,019 14 7	3,054 15 7	3,051 13 10	26,844 13 0
Thermal-springs Districts Act: Rents ..	30 5 0	..	..	..	..	..	..	..	..	..	30 5 0
“Native Townships Act, 1895” ..	125 15 0	236 18 0	..	651 10 0	..	..	..	..	..	..	1,014 3 0
Rotorua Town Council ..	1,795 4 2	..	..	..	..	..	..	..	..	..	1,795 4 2
Grand totals ..	80,279 5	152,599 6	921,344 6	1160,050 19	1024,419 4	721,864 5	718,073 10	10124,047 1	177,985 11	928,255 16	7508,920 0

[To accompany evidence of Mr. J. Mackenzie, Commissioner of Crown Lands, Auckland.]

A.—STATEMENT of TENURES, NUMBER of TENANTS, &c., as at 31st March, 1905.

Act or Regulation.	Tenure.	No. of Holders.	Total Area held.	Annual Rent.	Description.
<i>Under existing Acts.</i>					
			Acres.	£ s. d.	
"The Land Act, 1892," and Amendment Act, 1895 (Part III.)	Conditional cash purchases (optional system)	*293 †340	46,110 34,320	..	Payment of one-fifth purchase-money on application; balance and Crown-grant fee within thirty days thereafter, when occupation license issues, which is exchanged for a certificate of title when improvements effected; improvements required on first-class lands to value of £1 per acre, on second-class lands 10s. per acre, must be effected within seven years; residence not required; rights of transfer at any time with Land Board's consent; no "thirds" paid.
Ditto ..	Occupation with right of purchase (optional system)	2,079	556,931	15,722 2 8	Term, twenty-five years, at 5 per cent. capital value, without right of renewal. Residence required, and improvements as follows: Within one year, 10 per cent. of cash price; within two years, 20 per cent., and within six years, 30 per cent., and substantial improvements as follows: On first-class lands, £1 per acre; on second-class lands, equal to net price of land, but not exceeding 10s. per acre. Residence required for six years on bush or swamp lands, for seven years on open or partly open lands. Maximum area allowed, 640 acres first-class, or 2,000 acres second-class. On expiry of term, if freehold not acquired, licensee has prior right to lease in perpetuity after revaluation (<i>vide</i> section 156 of Act, 1892, second paragraph). "Thirds" paid to local authority for fifteen years. Right to exchange to lease in perpetuity after ten years; right of transfer after one year with the Land Board's consent. May acquire freehold after ten years.
Ditto ..	Leases in perpetuity (optional system)	1,158	281,313	7,468 13 3	Term, 999 years, at 4 per cent. on capital value. Residence required for ten years. Improvements required as follows: Within one year, 10 per cent. of capital value; within two years, 20 per cent.; within six years, 30 per cent., and substantial improvements as follows: On first-class land, £1 per acre; on second-class, equal to net capital value, but not exceeding 10s. per acre; no right to freehold title. Maximum area, 640 acres first-class, or 2,000 acres second-class. "Thirds" paid to local authority for fifteen years. Right to transfer after one year with Land Board's consent.
"The Land Act, 1892," section 67	Cash lands at auction	..	..	..	Town or suburban lands or lands of special value offered at public auction and sold to highest bidder. Terms, one-fifth cash on fall of hammer; balance payable within thirty days, with Crown-grant fee when certificate of title issues; no improvements or residence required; no "thirds" paid. Rural lands so offered and not disposed of remain open for selection at upset prices.
"The Land Act, 1892," (Part V.)	Small grazing-runs	9	57,711	458 3 5	Lease for twenty-one years, with right of renewal or valuation for improvements, which are paid by the incoming tenant. Maximum area, first-class run, 5,000 acres; second-class run, 20,000 acres; only one run can be held. Residence required within three years if bush or swamp land; if open or partly open, within one year and continuous thereafter to the end of the term. Improvements required within one year, equal to one year's rent; within two years, equal to two years' rent; within six years, an amount equal to four years' rent, and on bush land substantial improvements to the value of 10s. per acre for first-class land, and 5s. per acre for second-class land. "Fourth" of rent paid to local authority for fifteen years. Rights of transfer with Land Board's approval.
"The Land Act, 1892," (Part VI.)	Pastoral runs	41	210,310	500 1 0	Term of lease, twenty-one years, not renewal, but Governor may determine to reoffer runs the leases of which are auctioned twelve months before expiry of old leases. Valuation for existing improvements paid by incoming tenant in event of original lessee not becoming purchaser of new lease. Lands are classified "pastoral" and "pastoral agricultural"; only one run can be leased by the same person or company; leases are offered at auction; no residence required. Improvements clause relate to preventing destruction or burning of timber or bush on the lease, prevention of growth and spread of gorse, broom, and sweetbriar; destruction of rabbits. Leases transferable with Land Board's consent; no "fourths" of rent paid to local authority.

* These figures represent number of cash selectors on books at date for which certificates of title are to issue. They are not included in the totals. † Certificates of title issued in these cases.

STATEMENT of TENURES, NUMBER of TENANTS, &c.—*continued.*

Act or Regulation.	Tenure.	No. of Holders.	Total Area held.	Annual Rent.	Description.
<i>Under existing Acts—continued.</i>					
			Acres.	£ s. d.	
"The Land Act, 1892," section 169, subsection (4)	Village homesteads (lease in perpetuity)	49	2,715	157 7 4	Term, 999 years. Maximum area, 100 acres; minimum price, 10s. per acre. Residence and improvement conditions similar to ordinary leases in perpetuity under Part III. of the Act. One man one lot. Married women barred as holders. Leases cannot be seized for debt or in bankruptcy. Governor may make regulations to provide for advances to enable lessees to profitably work holdings. "Thirds" paid for fifteen years. May transfer after one year with Land Board's approval.
"The Land Act, 1892," section 163	Special settlements (lease in perpetuity)	84	14,552	355 9 0	Selected by association comprising not less than twelve persons. Minimum area of block, 1,000 acres; maximum area, 11,000 acres; maximum area to each selector, 320 acres ordinary land, 500 acres swamp land. Lease in perpetuity, 999 years. Capital value not less than 10s. per acre. Residence, occupation, and improvement conditions as in the case of leases in perpetuity under Part III. of Act. Association pays cost of survey. Rent for first two years may be added to capital value of land, or may be paid off at any time at option of selector. "Thirds" paid for fifteen years. Right to transfer after one year with Land Board's consent.
"The Land Act, 1892," sections 168, 169	Village settlement (cash or lease under Part III. of Act)	..	..	..	Maximum area, 1 acre. May be sold at public auction or opened for application under Part III. of the Act. Minimum price, £3 per acre. If under Part III. of Act, improvements and residence conditions the same as leases and licenses under that Part of the Act, and the same conditions apply in regard to transfers and payment of "thirds." One man one lot. Married women barred as selectors.
"The Land Act, 1892," section 116	Miscellaneous leases	205	40,490	1,184 6 9	Term generally from year to year, or for periods up to seven and fourteen years. Rent fixed by Land Board. No allowance for improvements. No residence or improvement conditions. No "thirds" paid. Transfer at any time with Land Board's consent. Applies to odd areas, reserves not gazetted, or lands to which a better title cannot be given at the time.
<i>Under Land for Settlements Acts.</i>					
"The Land for Settlements Consolidation Act, 1900," and amendments	Leases granted under the four headings named in margin	402	79,006	12,804 16 7	<p>Rural lands: Term of lease, 999 years, without re-valuation; rental, 5 per cent. on fixed capital value. Personal residence continuous. Improvement conditions as follows: Within one year to a value equal to 2½ per cent. of capital value of land; within two years, another 2½ per cent.; within six years, another 2½ per cent. and substantial improvements to a value of £1 per acre of first-class land and 10s. per acre for second-class land. Maximum area, 1,000 acres. No "thirds" paid. Transfer after five years, except on the death of lessee or happening of some extraordinary event rendering a transfer necessary. Only one lease can be held.</p> <p>Town lands: Same conditions as rural lands above.</p> <p>Workmen's homes: Lease in perpetuity, 999 years, at 5 per cent. unfixed capital value, without re-valuation. Maximum area, 5 acres. Only one lot can be held. Continuous residence. Improvements as follows: Within one year, a house to value of at least £30; within two years, a sufficient fence in terms of Fencing Act, 1895; within three years, at least ¼ acre to be fenced and properly cultivated as garden or orchard. Advances made by Governor up to £50, at 5 per cent. interest, on improvements made by tenant. No "thirds" paid. Rights of transfer after five years with Land Board's consent.</p> <p>Pastoral lands (offered as small grazing-runs): Maximum area, 5,000 acres. Term of lease, twenty-one years, with right of renewal for further term of twenty-one years; or valuation for improvements, which are paid by the incoming tenant, as in the case of small-grazing runs under the Land Act, 1892. Residence compulsory for whole period. Improvement conditions as follows: Within one year to a value equal to one year's rent; within two years, another year's rent; within six years, another two years' rent; and on bush land (in addition), within six years, substantial improvements equal to 10s. per acre if first-class pastoral land, or 5s. per acre if second-class pastoral land. Lessee shall also at all times during the lease maintain in permanent pasture not less than two-thirds of total area. No "fourths" paid. Cannot surrender lease or part of it for a lease in perpetuity. Right to transfer after five years with Land Board's consent.</p>

STATEMENT OF TENURES, NUMBER OF TENANTS, &c.—*continued.*

Act or Regulation.	Tenure.	No. of Holders.	Total Area held.	Annual Rent.	Description.
<i>Under Land for Settlements Acts—continued.</i>					
"The Land for Settlements Consolidation Act, 1900," and amendments	Miscellaneous leases	18	Acres. 277	£ s. d. 64 10 6	Odd areas at peppercorn rentals fixed by Land Board chiefly from year to year. No residence or improvements. No compensation for improvements. No "thirds." Rights of transfer with Board's consent at any time.
<i>Under Miscellaneous Acts and Regulations.</i>					
Regulations gazetted 2nd March, 1905 (Hauraki leases)	Hauraki pastoral leases	59	14,540	267 6 6	Pastoral leases in vogue only within the Hauraki Mining District (Counties of Coromandel, Thames, and Ohinemuri). Lease, twenty-one years, with renewal for further term of twenty-one years with Warden's approval. Minimum area, 25 acres; maximum, 1,000 acres. Rental fixed by Land Board. Minimum rental, 3d. per acre per annum. Right to surface soil only, and not right to soil, timber, minerals, or kauri-gum. Residence not required. Substantial improvements to the value of 2s. per acre to be effected within three years. Lessee to prevent destruction or burning of timber or bush; prevent growth or spread of noxious weeds; destroy rabbits on the land. Rights of transfer with Land Board's consent. No "fourths" paid to local authority.
"The Mining Districts Land Occupation Act, 1894"	Mining districts land occupation leases	192	9,540	754 8 10	In vogue only within mining districts. Occupation leases for twenty-one years, with rights of renewal for further periods at rentals assessed by arbitration under "The Land Act, 1892." If lessee declines a renewal, lease submitted to auction with loading for improvements, which are paid by incoming tenant. Maximum area, 100 acres. Rentals fixed by Land Board with Warden's report. Minimum rent, 6d. per acre. No "thirds" paid. Personal residence required. No improvement conditions. Rights of transfer after one year with Board's consent.
The Lands Improvement and Native Land Acquisition Act, 1894"	Improved farm settlements	37	3,750	295 4 2	Tenure, occupation with right of purchase or lease in perpetuity, at option of selector, the lands being held under association. Intended for the unemployed, co-operative workmen, and men without means or unable otherwise to obtain land. Maximum area, 200 acres; minimum area, 10 acres. Improvement conditions as under Part III. of "The Land Act, 1892." Residence within three months after first burn, and continuous for ten years. Advances for house and fencing at 5 per cent. interest. Regulations for advances for bush-felling, "thirds," rights of transfer as under Part III. of "The Land Act, 1892."
"The Thermal Springs Districts Act, 1881"	Rotorua leases	283	6,071	1,973 16 4	Term, ninety-nine years, applies to township, suburban, and rural lands. Leases, sold to highest bidder at auction, confined to areas within the thermal springs district of Rotorua. Residence not required. Improvements as follows: On rural and suburban lands, to be fenced within one year from date of lease; town lots, to be improved within one year from date of lease to value of ten times the annual rental realised. No compensation for improvements. Rights of transfer with Commissioner of Crown Land's approval. All revenue goes to Rotorua Town Board under special Act.
"The Native Townships Act, 1895"	Native township leases	79	28	263 2 6	Applied to Native lands for establishing townships in various centres. Leases, not exceeding twenty-one years, submitted at auction or by tender; renewable for further terms after revaluation by arbitration. No residence or improvements stipulated. Commissioner of Crown Lands empowered to re-enter and take possession if land held unused to the detriment of the township. Rentals go to Native owners.
<i>Under Acts and Regulations repealed.</i>					
The Land Act, 1885," and Land Act Amendment Acts, 1887 and 1888	Deferred-payment licenses	40	4,017	123 15 5	Licenses for ten years, with power to extend to fourteen years. Freehold title issued on expiry of term. Residence required for six years, but exempted if double improvements effected. Improvements as follows: On first-class land, within one year, one-twentieth of area; second-class, 10 per cent. on price: within two years, on first-class, one-tenth of area; on second-class, 20 per cent. on price: within four years, on first-class, one-fifth of area: within six years, on first-class, one-fifth of area and substantial improvements to £1 per acre; on second-class, 30 per cent. of price. "Thirds" payable for the whole term. Rights of transfer after one year with Board's consent. Maximum area of holding, 640 acres of either class. Married women barred as holders. Right to exchange to lease-in-perpetuity tenure now becoming obsolete through conversions into lease in perpetuity and freeholds as licenses expire.

STATEMENT OF TENURES, NUMBER OF TENANTS, &c.—*continued.*

Act or Regulation.	Tenure.	No. of Holders.	Total Area held.	Annual Rent.	Description.
<i>Under Acts and Regulations repealed—continued.</i>					
			Acres.	£ s. d.	
"The Land Act, 1885," and Land Act Amendment Acts, 1887 and 1888	Perpetual leases	236	41,070	1,157 10 9	Term of lease, thirty years, renewable for further term of twenty-one years at revaluation. Incoming tenant pays valuation for improvements if original lessee fails to obtain renewal. Residence required for six years, but exempted if double improvements effected. Maximum area, 640 acres first-class land or 2,000 acres second-class. "Thirds" paid to local authority for fifteen years. May exchange to lease in perpetuity or acquire freehold whenever necessary improvements effected. Improvements required as follows: Within one year, on first-class, one-twentieth of area; on second-class, 10 per cent. on price: within two years, on first-class, one-tenth of area; on second-class, 20 per cent. on price: within four years, on first-class, one-fifth of area: within six years, on first-class, one-fifth of area and substantial improvements equal to £1 per acre; on second-class, 30 per cent. of price. Right to transfer after one year with Land Board's consent. Tenure now becoming obsolete by freeholds being acquired or exchanges made to lease in perpetuity.
"The Land Act, 1885," section 153; regulations gazetted 1886, p. 699	Village homestead special settlement	42	1,611	133 9 6	Term of lease, thirty years, renewable for subsequent terms of twenty-one years without right of freehold. Revaluation at end of first term, and if lessee fails to renew lease submitted and incoming tenant pays valuation for improvements. Minimum capital value, £1 per acre. Maximum area, 50 acres. Rent, 5 per cent. on capital value. Only one lot can be selected. Married women have preference. Advances for house and fencing. Permanent residence required. Improvements as follows: Within two years, 1 acre cultivated; within four years, one-half the remainder of selection. No "thirds" paid. Rights of transfer with Land Board's approval. System now obsolete in this district, having been superseded by the improved-farm settlements and special settlement associations. Many lessees exchanging to lease in perpetuity.
Appendix A, "The Land Act, 1885"	Homestead lands	*464	76,096	..	Tenure now obsolete; was peculiar to Auckland District alone. Maximum area: First-class, 50 acres; second-class land, 75 acres; total for one family, 200 first-class or 300 acres second-class. Requirements: Five years' continuous residence on land and erection of a house; in each year one-fifteenth to be cultivated (if open) and one-twenty-fifth of bush land, so that at the end of the term of five years one-third of selection (if open) or one-fifth (if bush) shall be under cultivation. Crown grant thereupon issued. The only payment required was survey fee according to scale.
Endowments (university and museum)	..	46	24,453	356 5 0	Under different tenures of the Land Acts and Regulations.
Totals ..	..	5,054	1,348,385	44,040 9 6	

* Represents number of selectors and area granted up to the time of repeal of the Act, and not included in totals.

Total area sold and held on freehold in the Auckland district since foundation of the colony	A.	R. P.	
	2,078,622	2 16	
	76,096	0 0	(homestead lands).
	2,154,718	2 16	

B.—AREAS OF CROWN LANDS OPEN AND UNOPENED AT 1ST MAY, 1905.

Summary of Lands open.

Surveyed rural land...	...	15,417 acres, in 54 sections.
Surveyed rural land under "The Bush and Swamp Crown Lands Settlement Act, 1903"	...	93,812 acres, in 568 sections.
Unsurveyed rural land	...	71,198 acres.
Unsurveyed rural land, under "The Bush and Swamp Crown Lands Settlement Act, 1903"	...	75,708 acres.
Lease in perpetuity, under Land for Settlements Act	...	5,888 acres, in 267 sections.
Village settlement lease in perpetuity	...	4 acres, in 2 sections.
Pastoral runs	...	255,949 acres, in 10 runs.
Small grazing-runs	...	61,051 acres, in 10 runs.
Hauraki pastoral leases	...	248,143 acres.
Total	...	827,170 acres.

AREAS OF CROWN LANDS OPEN AND UNOPENED, &c.—*continued.*
Under "The Land Act 1892."

County.	Area unopened.	Area open at 1st May, 1905.			
		No. of Sections.	Surveyed.	Unsurveyed.	Total open.
	Acres.		Acres.	Acres.	Acres.
Awakino	12,448	24	17,534	..	17,534
Bay of Islands	51,116	71	12,120	990	13,110
Coromandel	2,337	5	646	7,061	7,707
" Hauraki pastoral leases	2,337	..	..	..	68,595
East Taupo	130,307	..	..	5,940	5,940
"	130,307	7 pastoral runs	..	..	204,801
"	130,307	2 small grazing-runs	..	..	19,288
Hobson	35,050	6 sections	557	1,100	1,657
Hokianga	88,384	84 sections	14,373	3,949	17,722
Kawhia	3,474	..	..	500	500
Manukau	5,230	..	1,033	3,443	4,476
Mangonui	53,630	61	8,414	10,646	19,060
Ohinemuri	62,594	20	7,694	..	7,694
"	Hauraki pastoral leases	..	..	..	66,398
Opotiki	129,085	35	2,126	15,576	17,702
Otamatea	8,530	9	168	..	168
Piako	10,260	46	3,292	2,061	5,353
Raglan	20,100	10	2,297	..	2,297
Rodney	2,800	21	1,648	230	1,878
Rotorua	24,000	7	3,167	11,020	14,187
"	24,000	1 pastoral run	..	..	19,460
Tauranga	24,816	31	4,195	14,368	18,563
Thames	20,600	7	2,868	1,970	4,838
"	20,600	Hauraki pastoral leases	..	..	113,150
Whangarei	18,060	57	4,295	2,409	6,704
Waikato	34,265	28	5,041	13,606	18,647
"	34,265	2 small grazing-runs	..	..	6,366
Waipa	400	2	25	..	25
Waitemata	14,900	52	4,513	400	4,913
Waitomo	6,679	..	..	3,490	3,490
"	6,679	2 village-settlement lots	..	..	4
Whangaroa	3,500	15	1,741	1,207	2,948
Whakatane	110,561	4	506	3,580	4,086
"	110,561	1 pastoral run	..	..	17,413
"	110,561	1 small grazing-run	..	..	5,232
West Taupo	6,260	7	10,129	42,609	52,738
"	6,260	1 pastoral run	..	..	14,275
"	6,260	5 small grazing-runs	..	..	30,145
No county	6,260	10	847	1,351	2,198
Totals	879,386	..	109,229	146,906	821,232

Under the Land for Settlements Acts.

Eden .. .. .	..	23	47	..	47
Otamatea .. .. .	..	18	5,209	..	5,209
Piako* .. .. .	..	104	73	..	73
Waitemata .. .. .	..	113	451	..	451
" .. .. .	..	1 rural section	..	..	39
Waikato .. .. .	..	1 rural section	..	..	64
Whakatane .. .. .	..	7 village lots	..	..	5
Total .. .. .	..	..	..	..	5,888
Grand total .. .. .	..	..	..	..	827,170

* Does not include area of Selwyn Settlement, 159,302 acres, not yet subdivided, and possession by Crown not obtained before 1st August, 1905.

C.—FOREST RESERVES IN AUCKLAND LAND DISTRICT.

Mangonui	Acres.	15,864	Awakino	Acres.	14,441
Whangaroa	640	Coromandel	2,720		
Bay of Islands	11,597	Thames	3,190		
Hokianga	51,819	Ohinemuri	3,239		
Hobson	26,558	Piako	2,652		
Whangarei	24,678	Tauranga	3,592		
Otamatea	4,300	Whakatane	6,170		
Rodney	5,018	Opotiki	57,700		
Waitemata	*5,165	Rotorua	5,331		
Manukau	1,333	East Taupo	2,150		
Raglan	5,320				
Kawhia	3,240	Total	256,767		

* Includes 4,709 acres vested in Auckland City Council.

D.—KAURI-GUM RESERVES in AUCKLAND LAND DISTRICT as at the 17th May, 1905.

	Acres.		Acres.
Mangonui County	106,975	No county (Barrier)	890
Whangaroa	2,200	Waitemata	7,156
Bay of Islands	32,282	Manukau	5,409
Hokianga	14,340	Coromandel	770
Whangarei	32,477	Tauranga	1,900
Hobson	12,537		
Otamatea	6,520	Total	229,412
Rodney	5,956		

E.—NATIVE LAND IN AUCKLAND LAND DISTRICT.

County.	Still in the Hands of the Natives.	Unadjudicated.
	Acres.	Acres.
Mangonui	91,837	12,680
Whangaroa	41,609	836
Bay of Islands	38,702	168,306
Hokianga	153,952	84,393
Hobson	64,732	2,220
Whangarei	27,325	18,056
Otamatea	47,779	8,986
Rodney	11,303	1,254
Waitemata	4,709	20,026
Great Barrier Island	3,514	Nil.
Manukau	38,793	Nil.
Raglan	92,798	Nil.
Waikato	10,299	Nil.
Thames	47,470	648
Coromandel	40,928	Nil.
Ohinemuri	108,713	Nil.
Piako	63,811	Nil.
West Taupo	578,435	Nil.
Kawhia		
Waitomo	330,425	45,170
Awakino		
Tauranga	117,586	Nil.
Whakatane	756,405	Nil.
Opotiki	296,586	156,250
Rotorua	246,451	2,410
East Taupo	255,287	19,500
Part Clifton, in Auckland District	70,326	Nil.
Total	3,539,775	540,735

F.—SCHEDULE of GOVERNMENT LOANS to LOCAL BODIES BLOCKS (31st March, 1905), AUCKLAND LAND DISTRICT, showing Areas, Loans, and Amounts expended out of Loans by Roads Department; also Amounts expended out of Public Works Vote on Roads of access to Loan Blocks.

Blocks under control of Mr. A. B. Wright, District Road Engineer, Auckland.

Name of Block.	Locality.	Area.	Loan.	Amount of Loan expended.	Remarks.	Cost of Access Roads.
Otukai	Mangonui Co.	Acres. 10,000	£ 1,000	£ 396	In progress	£ s. d. 417 0 0
Kohumaru	"	4,880	600	185	Awaiting settlement of roads	Nil.
Maungataniwha	"	4,000	500	500	Loan expended	800 0 0
Maungataniwha No. 2	"	1,200	120	120	"	100 0 0
Takahue	"	1,900	300	300	"	Nil.
Raetea	"	686	137	Nil	Not authorised	Nil.
Takahue Whangape	"	12,200	1,800	1,800	Loan expended	2,195 0 0
Otepo...	"	463	115	Nil	Not authorised	Nil.
Carried forward	...	35,329	4,572	3,301	...	3,512 0 0

SCHEDULE of GOVERNMENT LOANS to LOCAL BODIES BLOCKS, AUCKLAND LAND DISTRICT, &c.
—continued.

Name of Block.	Locality.	Area.	Loan.	Amount of Loan expended.	Remarks.	Cost of Access Road.		
						£	s.	d.
Brought forward	...	Acres. 35,329	£ 4,572	£ 3,301	...	£ 3,512	s. 0	d. 0
Maire ...	Hokianga Co.	2,659	399	Nil	In hand ...	300	0	0
Pareokawa ...	"	7,645	950	839	In progress ...	425	0	0
Mangonuiowae ...	"	4,599	500	500	Loan expended ...	655	0	0
Pakanae ...	"	992	124	124	" ...	Nil.		
Wairau ...	"	3,933	390	Nil	Not authorised ...	Nil.		
Waoku ...	"	22,804	2,000	2,000	Loan expended ...	2,570	0	0
Auckland S.S. ...	"	8,995	299	299	" ...	4,378	0	0
Marlborough S.S.	"	4,670	467	467	" ...	1,470	0	0
Huehue ...	"	4,134	827	825	" ...	100	0	0
Kawaka ...	"	3,420	684	160	In progress ...	Nil.		
Waimatanui ...	"	20,000	3,000	2,924	" ...	Nil.		
Ketetangariki ...	"	1,070	267	Nil	Loan not yet granted by Treasury	Nil.		
Otaenga ...	"	1,630	326	Nil	Not authorised ...	Nil.		
Waipoua ...	"	58,200	5,800	5,800	Loan expended ...	4,900	0	0
Omawhaki ...	Bay of Islands	5,094	637	Nil	Not authorised ...	Nil.		
Parahaki ...	"	1,935	193	Nil	Authorised, awaiting Bay of Islands Co. making access roads	Nil.		
Ruapekapeka ...	"	11,900	500	500	Loan expended ...	Nil.		
Motatau ...	"	5,803	600	600	" ...	Nil.		
Motatau Extended No. 1	"	343	43	43	" ...	Nil.		
Owai ...	Whangarei ...	3,400	340	340	" ...	Nil.		
Opawahanga No. 1	" ...	4,815	500	500	" ...	Nil.		
Opawahanga Whangarei	" ...	4,600	500	500	" ...	Nil.		
Ngunguru ...	" ...	6,125	772	772	" ...	Nil.		
Kanaeranga ...	" ...	3,556	445	299	In hand ...	Nil.		
Mangakahia ...	" ...	10,223	2,000	2,000	Loan expended ...	Nil.		
" No. 2	" ...	1,220	120	120	" ...	Nil.		
Whatatiri ...	" ...	5,628	844	844	" ...	100	0	0
Tangihua ...	" ...	4,650	466	466	" ...	Nil.		
Waipu ...	" ...	6,350	790	790	" ...	Nil.		
Mareretu ...	Otamatea Co.	5,060	395	395	" ...	200	0	0
Tokatoka ...	"	11,846	8,958	8,958	" ...	5,600	0	0
" No. 2...	"	1,966	1,472	1,352	In progress ...	2,555	0	0
" No. 3...	"	448	448	424	" ...	Nil.		
Opanake ...	Hobson Co. ...	2,508	100	100	Loans expended ...	Nil.		
Mangaru ...	" ...	4,308	460	460	" ...	426	0	0
Avoca ...	" ...	3,668	458	458	" ...	150	0	0
Maropiu ...	" ...	5,350	590	590	" ...	200	0	0
Maraekura, No. 1	" ...	950	458	458	" ...	25	0	0
" No. 2	" ...	584	120	120	" ...	25	0	0
Pakiri ...	Rodney Co. ...	2,950	369	369	" ...	Nil.		
Tauhoa ...	" ...	4,069	449	449	" ...	Nil.		
" Komokoriki	" ...	2,650	325	325	" ...	Nil.		
Otau ...	Manukau Co.	18,510	2,350	2,350	" ...	1,260	0	0
Akaaka ...	"	2,935	920	920	" ...	Nil.		
Maioro ...	"	722	225	225	" ...	Nil.		
Taupiri ...	Waikato Co. ...	9,200	920	563	Will be expended this year	Nil.		
Wharekawa ...	" ...	5,700	570	Nil	No loan (land too inferior)	Nil.		
Ngarua ...	Ohinemuri Co.	3,461	849	Nil	Being expended ...	Nil.		
Mangawhara ...	"	9,665	2,416	Nil	Not yet authorised ...	Nil.		
Maukoro ...	"	9,978	1,496	Nil	In hand ...	Nil.		
Opuatia, No. 1	Raglan Co. ...	5,720	858	858	Loan expended ...	301	0	0
" No. 2 ...	" ...	8,030	1,004	779	To be expended this year	200	0	0
" No. 3 ...	" ...	4,337	650	650	Loans expended ...	100	0	0
Ahuroa ...	" ...	4,000	500	500	" ...	Nil.		
Awaroa, No. 2 ...	" ...	4,050	400	400	" ...	Nil.		
Puriri ...	" ...	1,856	186	186	" ...	100	0	0
Paekotare ...	" ...	890	80	80	" ...	Nil.		
Totals ...	...	392,244	58,384	46,942	...	29,552	0	0

SCHEDULE of GOVERNMENT LOANS to LOCAL BODIES BLOCKS, AUCKLAND LAND DISTRICT, &c.
—continued.

Blocks under the Control of Mr. Burd, District Road Engineer, Te Kuiti.

Name of Block.	Locality.	Area.	Loan.	Amount of Loan expended.	Remarks.	Cost of Access Roads.
		Acres.	£	£		£ s. d.
Te Puroa ...	Raglan ...	8,600	1,000	993	Work in progress ...	...
Mangaokahu ...	" ...	2,325	233	...	Loan expended by Lands and Survey Department, Auckland	...
" No. 2	" ...	2,040	255	...	Work in progress ...	...
Karioi-Alexandra	" ...	13,300	1,662	1,607	This loan was expended by Lands and Survey Department	...
Pirongia West*...	Kawhia ...	16,910	2,203	1,940	Loan nearly all expended; work in progress	3,943 12 10
Kawhia* ...	" ...	4,927	616	461	Work in progress ...	457 6 8
Kopua ...	" ...	4,263	894	...	No authority ...	...
Ngutunui ...	" ...	1,629	210	...	Authority for £100 received; work not put in hand yet	...
Turoto ...	" ...	1,783	539	...	No authority ...	...
Whangai ngata-kupu	" ...	973	170	170	Loan expended last year	...
Te Kauri ...	" ...	3,664	916	...	No authority ...	...
Hauturu* ...	" ...	65,012	10,000	9,274	Loans expended years ago	3,884 1 10
Waiharakeke ...	" ...	2,116	318	...	No loan raised yet ...	...
Kinohaku West*	" ...	80,000	19,224	9,960	No work has lately been done here, as the access roads must be first completed	2,066 2 10
Kinohaku West, No. 2*	" ...	32,004	6,187	4,774	No work done this year	8,552 19 11
Ouruwhero ...	" ...	2,615	680	328	Dray-road has been formed through this block	...
Puketarata ...	" ...	5,350	535	532	Dray-road formed through this block	...
" No. 2	" ...	3,026	378	378	Ditto ...	...
" No. 3*	" ...	2,369	296	296	" ...	400 0 0
Kiokio* ...	" ...	4,349	545	512	" ...	1,244 1 3
Te Puhi ...	" ...	4,505	1,689	...	No authority ...	...
Te Kuiti* ...	" ...	3,566	777	776	The whole of this expended in forming dray-road through block	250 14 9
Moeatoa ...	" ...	2,930	733	...	No authority ...	...
Pakeho* ...	" ...	9,969	1,800	1,793	Loan nearly expended, and work still in hand	1,393 6 11
Whareorino* ...	" ...	20,583	5,776	998	Loan cannot be expended economically until access roads made	1,201 1 1
Mahoenui* ...	" ...	6,471	990	977	Bridle-road formed through block giving access to every section	350 0 0
Wairere ...	" ...	1,930	483	...	No authority ...	...
Otanake ...	" ...	7,253	1,813	1,024	Dray-roads formed through block giving access to all sections	...
Pukenui ...	" ...	1,600	240	154	Bridge-road formed giving access to all sections	...
Wharepuhunga...	West Taupo...	31,700	2,828	256	No authority ...	...
Totals ...	...	347,762	63,990	37,203	...	23,743 8 1

* In addition to this there has been an expenditure of £31,754 on Te Kuiti-Awakino Road, and £6,288 on Pirongia-Kawhia Road, giving indirect access to various blocks, the former to Pakeho, Whareorino, and Kinohaku West, the latter to Pirongia West, Hauturu, and Kinohaku West No. 2.

SCHEDULE of GOVERNMENT LOANS to LOCAL BODIES BLOCKS, AUCKLAND LAND DISTRICT, &c.
—continued.

Blocks under the Control of Captain A. C. Turner, District Road Engineer, Rotorua.

Name of Block.	Locality.	Area.	Loan.	Amount of Loan expended.	Remarks.	Cost of Access Roads.
		Area.	£	£		£ s. d.
Taumata ...	Rotorua Co. ...	3,423	428	428	All spent ...	109 0 0
Taumata Wha- tauma	" ...	3,269	817	815	All spent ...	5 0 0
Te Rerenga ...	" ...	7,991	1,599	72	Work in progress ...	686 0 0
M a n g o r e w a Kaharoa	" ...	24,100	2,800	2,800	All spent ...	294 0 0
Kaikokopu ...	" ...	7,397	740	739	Work in progress ...	317 0 0
Mamaku ...	" ...	7,684	700	700	All spent ...	2,423 0 0
Umurua ...	" ...	4,860	480	479	All spent ...	146 0 0
Okoheriki ...	" ...	15,500	1,550	1,547	Work in progress ...	574 0 0
O k o h e r i k i, No. 1 E.	" ...	2,626	260	247	Work in progress ...	100 0 0
Kaimarama ...	Coromandel Co.	3,182	318	...	Loan expended ...	...
Tamu Kaituna ...	Tauranga Co.	3,187	1,275	1,274	All spent ...	19 0 0
Omanawa ...	"	3,380	845	Nil	Money just authorised	Nil.
Waimana ...	Whakatane ...	15,986	2,000	2,000	All spent ...	1,085 0 0
Waiotahi ...	Opotiki ...	6,048	756	751	All spent ...	1,400 0 0
Oumauku ...	" ...	9,770	1,465	589	Work in progress ...	1,393 0 0
Waiawa ...	" ...	20,000	2,500	2,500	All spent ...	164 0 0
Totals ...	...	128,403	18,533	14,941	...	8,826 0 0
Grand totals	...	868,409	140,907	99,086	...	62,121 8 1

FORFEITURES, TRANSFERS, AND ARREARS, OTAGO LAND DISTRICT.

Total number of forfeitures in the Otago Land District for the last five years	...	...	...	...	...	158
Total number of transfers (land-for-settlements holdings) for the same period	...	...	...	...	...	128

Of this number ninety-three changed hands for a total sum of £23,269, of which amount £9,113 is assessed as premiums, or an average of about £98 premium on each transaction. The remaining thirty-five were sold without premiums, and in some cases for less than the value of the improvements, the consideration-money amounting to £4,662.

Number of tenants in arrears at the 31st March, 1905—

	Rent in Arrears.		
	£	s.	d.
Crown lands	48	383	17 3
Land for settlements	22	572	4 5
Total	70	956	1 8

This is exclusive of the rents due for the current half-year commencing on the 1st January, 1905.

CANTERBURY.—SUMMARY OF TENURES AS AT THE 31ST MARCH, 1904.

Included in the above are the following:—

Tenure.	No. of Holders.	Area.			Revenue.		
		A.	R.	P.	£	s.	d.
Farm-homestead special settlements (ordinary Crown land)—							
Perpetual lease	91	2,060	2	24	309	8	6
Lease in perpetuity	215	7,906	2	0	979	13	0
	306	9,967	0	24	1,289	1	6
Cheviot Estate—							
Lease in perpetuity	238	74,503	0	18	13,464	1	7
Miscellaneous	73	1,450	2	11	289	15	7
	311	75,953	2	29	13,753	17	2
Lands for settlements—							
Lease in perpetuity	1,076	241,630	0	28	54,792	15	7
Miscellaneous	31	956	2	15	210	14	8
	1,107	242,586	3	13	55,003	10	3

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
Total number of mortgages on freeholds	...	...	...	...	841
Total number of Crown leaseholds mortgaged	...	...	...	...	129
Total number of mortgages on Crown leaseholds	...	...	...	...	149

Analysis of Tenures of Crown Leasehold Securities—

L.I.P.	...	...	...	...	64 (in 4 cases freehold also included).
O.R.P.	...	...	...	...	20 (in 1 case " ").
P.L.	...	...	...	...	31 (in 1 case " ").
D.P.	...	...	...	...	3 (in 1 case " ").
S.G.R.	...	...	...	...	5
O.R.P., P.L., and L.I.P. mixed	...	...	...	...	6

Foreclosures on Crown leaseholds securities since inception of lending scheme ... Nil.
 Loans on Crown leaseholds declined by Lending Board during last three years: Number, 30;
 amount, £3,185.

T. L. OSWIN, Officer in charge.

[See evidence of Mr. T. Humphries, Commissioner of Crown Lands, Canterbury.]

SUMMARY OF TENURES AS AT 31ST MARCH, 1904.

Tenures.	Holders.	Area.			Number of Holders.	Area.			Revenue.					
		A.	R.	P.		A.	R.	P.	£	s.	d.	£	s.	d.
Deferred payment	19	11,200	0	2	..	..	..	932	13	9
Perpetual lease	171	6,948	2	28	..	..	..	870	18	4
Occupation with right of purchase	35	4,932	1	24	..	..	..	252	10	0
Lease in perpetuity—														
Crown	406	83,070	1 27	..	..	..	..	4,299	12	11	..	..	..
Endowment	113	15,363	1 2	..	..	..	..	1,523	6	9	..	..	..
Land for settlements	1,032	160,469	0 12	..	..	..	..	45,721	5	6	..	..	..
Cheviot	189	26,883	2 9	1,740	285,786	1	10	6,978	14	2	58,512	19	4
Grazing-farms, Cheviot	48	45,977	2	9	..	..	..	6,292	3	9
Small grazing-runs—														
Crown	50	119,585	1 25	..	..	..	..	5,286	8	0	..	..	..
Land for settlements	44	81,161	0 26	94	200,746	2	11	9,071	10	1	14,357	18	1
Pastoral licenses—														
Crown	150	3,522,504	3 34	..	..	..	..	30,920	2	3	..	..	..
Cheviot	1	1,642	0 0	151	3,524,146	3	34	193	3	8	31,113	5	11
Total fixed tenures	2,258	4,079,738	1	38	..	..	..	..	..	..
Miscellaneous temporary occupation licenses	684	101,381	3	13	..	..	..	10,330	5	4
Total holdings	2,942	4,181,120	1	11	..	..	..	122,662	14	6

	Total Holdings.	Area.			Revenue.		
		A.	R.	P.	£	s.	d.
Cheviot	238	74,503	0	18	13,464	1	7
Miscellaneous	73	1,450	2	11	289	15	7
Total	311	75,953	2	29	13,753	17	2
Land for settlements	1,076	241,630	0	38	54,792	15	7
Miscellaneous	31	956	2	15	210	14	8
Total	1,107	242,586	3	13	55,003	10	3

CLASSIFICATION OF HOLDINGS AS AT 31ST MARCH, 1904.

Class of Holdings.	Number of Holdings.	Area.		Revenue.	
		A.	B. P.	£	s. d.
Village	59	582	2 18	260	6 4
Village-homestead special settlement	344	12,447	1 24	1,834	16 11
Rural	1,521	291,186	1 36	58,154	13 0
Farm homestead	41	4,650	3 26	319	5 2
Small grazing-run	94	200,746	2 11	14,357	18 1
Grazing-farm	48	45,977	2 9	6,292	3 9
Pastoral run	151	3,524,146	3 34	31,113	5 11
Miscellaneous	684	101,381	3 13	10,330	5 4
Totals	2,942	4,181,120	1 11	122,662	14 6

FIRST BALLOT IN SOUTHLAND under the LAND FOR SETTLEMENTS REGULATIONS, dated 18th November, 1901.—Ringway Settlement: Seven Allotments, Twenty-one Applicants.

OUT of the twenty-one applicants the following seven were successful for taking part in the second ballot:—

Name.	Allotment desired.	Allotment drawn.	Remarks.
B. A. A. Pearce ...	1, 3, 4	1	Took 1.
George Buchanan ...	6	4	" 4.
Joseph Swap ...	3	2	Declined to take 2; allowed to withdraw.
Charles Lyon ...	7	7	Took 7.
Andrew McMenamin ...	3, 4, 8	6	" 6.
Duncan Cameron ...	3	3	" 3.
John McMenamin ...	3	8	Withdrew, as one section sufficient for family.
Then,			
Samuel Saunders ...	2	...	Thrown out at first ballot; took 2, being the only applicant for it.
John Neylon ...	8	...	Thrown out at first ballot, and being the only other applicant for section 8, took it.
Final result—			
B. A. A. Pearce ...	...	1	372 acres.
Samuel Saunders ...	...	2	599 "
Duncan Cameron ...	...	3	211 "
George Buchanan ...	...	4	217 "
Andrew McMenamin ...	...	6	253 "
Charles Lyon ...	...	7	242 "
John Neylon ...	...	8	337 "

RANGITIKEI COUNTY COUNCIL.—"THIRDS" ACCOUNT.

Receipts.			Expenditure.					
			Road-works.			Transferred to Interest Account.		
£ s. d.			£ s. d.			£ s. d.		
1895-96	531	14 4	1895-96	116	6 3	59	8 6	
1896-97	846	13 4	1896-97	265	4 9	59	8 6	
1897-98	180	9 10	1897-98	659	18 2	59	3 6	
1898-99	360	11 10	1898-99	118	13 5	59	7 10	
1899-1900	236	4 1	1899-1900	210	11 10	59	4 6	
1900-1	2,987	4 8	1900-1	1,198	16 8	53	9 7	
1901-2	628	12 7	1901-2	864	10 10	53	0 10	
1902-3	1,548	17 3	1902-3	799	4 1	88	11 4	
1903-4	2,345	2 2	1903-4	2,450	9 10	1,910	4 11	
1904-5	2,223	13 5	1904-5	1,388	4 4	395	15 3	
				8,071	10 2	2,797	14 9	
				2,797	14 9			
	<u>£11,889</u>	<u>3 6</u>		<u>£10,869</u>	<u>4 11</u>			

[See evidence of Mr. T. Humphries, Commissioner of Crown Lands, Canterbury.]

ROSEWILL SETTLEMENT.

Group A.—Coloured Green.

Section.	Block.	Area.	Lease in Perpetuity : Rent, 5 per Cent.			
			Rent per Acre per Annum.		Half-yearly Rent.	
2	III.	A. R. P.	s. d.	£	s. d.	
3	"	5 0 0	8 0	1 0 0	0 0	
4	"	10 0 0	8 0	2 0 0	0 0	
5	"	20 0 9	8 0	4 0 3	0 0	
44A	VIII.	36 0 0	3 6	3 3 0	0 0	
44B	"	12 0 0	2 6	0 15 0	0 0	
66	IX.	45 0 0	3 0·6	3 8 8	0 0	
71	"	51 0 0	6 2·1	7 17 6	0 0	
72	"	54 0 0	6 2·1	8 6 9	0 0	
73	"	59 0 0	6 3·6	9 5 11	0 0	
136	"	11 1 10	18 0	5 1 10	0 0	
137	"	9 0 0	18 0	4 1 0	0 0	
138	"	9 0 0	18 0	4 1 0	0 0	
139	"	5 0 0	20 0	2 10 0	0 0	
140	"	5 0 0	20 0	2 10 0	0 0	
141	"	5 0 0	20 0	2 10 0	0 0	
142	"	5 0 0	20 0	2 10 0	0 0	
43A	VIII.	24 0 0	2 0	1 4 0	0 0	
13	IX.	0 2 2	30 0	0 7 9	0 0	
14	"	0 1 38	24 0	0 5 11	0 0	
15	"	0 1 34	24 0	0 5 7	0 0	
16	"	0 1 33	20 0	0 4 7	0 0	
17	"	0 1 33	20 0	0 4 7	0 0	
18	"	0 1 33	20 0	0 4 7	0 0	
19	"	1 3 38	12 6	0 12 6	0 0	
20	"	2 0 29	10 0	0 10 11	0 0	
27	"	2 2 25	10 0	0 13 4	0 0	
21	"	1 1 39	10 0	0 7 6	0 0	
22	"	1 1 39	10 0	0 7 6	0 0	
23	"	1 0 36	10 0	0 6 2	0 0	
24	"	1 0 36	10 0	0 6 2	0 0	
25	"	1 0 36	10 0	0 6 2	0 0	
28	"	5 1 12	10 0	1 6 3	0 0	
29	"	5 1 12	10 0	1 6 8	0 0	

Group B.—Coloured Pink.

6	III.	75 2 0	9 0·6	17 1 8	0 0
7	"	68 1 0	9 0·6	15 8 10	0 0
8	"	73 1 0	9 6·6	17 9 10	0 0
9	"	135 3 0	8 0·6	27 6 5	0 0
10	"	130 1 0	7 6·6	24 11 9	0 0
11	"	114 1 0	7 9·6	22 5 7	0 0
12	IV.	104 3 0	7 3·6	19 2 5	0 0
41	"	223 0 0	4 9·3	26 12 0	0 0
32	"	187 0 0	6 0·6	28 5 9	0 0
74	"	62 0 0	7 4·8	11 9 5	0 0
75	IX.	86 0 0	6 6·6	14 1 8	0 0
98	"	102 1 0	11 1·2	28 7 6	0 0
101	VII.	70 0 0	10 7·2	18 11 0	0 0
129	IX.	60 3 26	14 1·2	21 9 6	0 0
130	"	55 2 0	14 1·2	19 11 4	0 0
132	"	65 1 0	14 1·2	23 0 1	0 0
133	"	65 0 0	13 1·2	21 5 9	0 0
143	"	55 3 0	20 1·2	28 0 4	0 0
134	"	35 1 11	17 1·2	15 2 0	0 0
135	"	40 2 22	18 1·2	18 7 10	0 0

Group C.—Coloured Blue.

13	VII.	350 0 0	5 6·3	48 6 11	0 0
15	"	229 0 0	6 3·3	35 18 6	0 0
16	"	282 0 0	6 6·3	46 0 1	0 0
26	VIII.	334 0 0	5 3	43 16 9	0 0
35	"	235 2 0	8 0·6	47 7 11	6 9 6*
36	"	281 3 0	7 0·6	49 13 3	0 0
37	"	269 0 0	7 0·6	47 8 3	0 0
38	"	269 0 0	7 0·6	47 8 3	0 0
28	XI.	286 0 0	7 0·6	50 8 2	0 0
29	VII.	338 2 0	5 6	46 10 11	0 0
30	"	184 2 0	6 6·3	30 2 0	0 0
40	XII.	263 2 0	5 3·3	34 15 5	0 0
44	V.	346 0 0	5 1·2	44 2 4	0 0
45	"	190 0 0	9 1·2	43 4 6	0 0
46	VI.	210 0 0	9 1·2	47 15 6	0 0
52	II.	211 2 0	9 2·7	48 15 7	0 0
53	"	160 0 0	11 7·2	46 8 0	0 0
54	"	163 0 0	11 7·2	47 5 5	0 0
55	"	164 2 0	11 7·2	47 14 2	0 0
58	"	201 1 0	8 8·7	48 18 0	0 0
59	II., VI.	232 3 0	8 5·7	49 6 4	0 0
63	IX.	292 2 0	6 6·6	47 17 11	0 0

Group C.—Coloured Blue—continued.

Section.	Block.	Area.	Lease in Perpetuity : Rent, 5 per Cent.			
			Rent per Acre per Annum.		Half-yearly Rent.	
76	IX.	A. R. P.	s. d.	£	s. d.	
78	"	185 2 0	6 6·6	30 7 7	0 0	
79	"	182 2 0	9 0·6	41 5 10	0 0	
80	XIII.	220 2 0	6 2·1	34 0 10	0 0	
68	"	257 0 0	6 7·8	42 14 7	0 0	
69	"	253 2 0	5 11·1	37 11 0	6 9 6†	
70	"	228 2 0	5 11·1	33 17 0	0 0	
81	"	323 0 0	5 8·1	45 16 7	0 0	
89	X.	339 0 0	5 9	48 14 8	0 0	
94	VI.	150 0 0	8 1·2	30 7 6	0 0	
95	VII.	131 3 0	11 7·2	38 4 2	0 0	
97	"	129 1 0	11 7·2	37 9 8	0 0	
104	"	109 1 0	11 1·2	30 6 5	0 0	
105	"	291 2 0	6 6·3	47 11 1	0 0	
122	XII.	282 2 0	6 1·8	43 8 9	0 0	
123	IX.	130 1 0	10 1·2	32 17 10	0 0	
124	"	94 3 0	14 1·2	33 8 0	0 0	
125	"	115 1 0	14 1·2	40 12 7	0 0	
126	"	91 1 13	14 1·2	32 3 11	0 0	
127	"	121 1 0	14 1·2	42 14 10	0 0	
128	"	96 2 30	13 7·2	32 17 6	0 0	
131	"	81 2 0	15 1·2	30 15 4	12 19 0†	
	"	87 0 0	14 1·2	30 13 5	0 0	

* Interest and sinking fund on buildings valued at £100, repayable in ten years by half-yearly instalments of £6 9s. 6d. Total half-yearly, £53 17s. 5d.

† Interest and sinking fund on buildings valued at £100, repayable in ten years by half-yearly instalments of £6 9s. 6d. Total half-yearly, £44 0s. 6d.

‡ Interest and sinking fund on buildings valued at £200, repayable in ten years by half-yearly instalments of £12 19s. Total half-yearly, £43 14s. 4d.

Group D.—Coloured Purple.

17	III.	319 0 0	8 0	63 16 0	1 0 9*
19	IV.	312 2 0	6 6·3	50 19 7	0 0
21	"	360 0 0	5 9·3	51 19 6	0 0
23	VIII.	357 0 0	6 3·3	56 0 2	0 0
25	"	440 0 0	6 0·6	66 11 0	0 0
39	"	330 2 0	6 9·3	55 19 7	0 0
34	XI.	673 0 0	3 9·3	63 10 4	0 0
47	II.	310 2 0	7 7·2	58 19 11	0 0
48	VI.	298 0 0	7 8·7	57 11 1	0 0
50	"	301 0 0	7 7·2	57 3 10	0 0
60	II.	339 0 0	6 7·2	55 18 9	0 0
62	{ *XII. †IX. }	475 0 0	5 8·1	67 7 10	0 0
64	"	354 0 0	7 3·6	64 12 2	0 0
67	"	347 0 0	7 5·1	64 8 3	0 0
86	X.	176 0 0	11 10·2	52 2 10	0 0
91	VI., X.	277 0 0	8 1·2	56 1 11	0 0
99	VII.	219 0 0	10 4·2	56 13 4	0 0
92	X.	437 0 0	6 1·2	66 12 11	0 0
102	XI.	229 0 0	8 11·7	51 7 8	0 0
103	"	276 0 0	7 11·7	55 0 7	0 0
108	"	304 0 0	8 7·2	65 7 3	0 0
109	"	237 2 0	8 10·2	52 11 0	0 0
110	"	296 0 0	8 10·2	65 9 10	0 0
114	"	261 0 0	10 7·5	69 6 7	0 0
119	XII.	181 2 0	12 2·7	55 9 6	0 0
121	"	201 2 0	11 2·7	56 11 0	0 0

* Interest and sinking fund on buildings valued at £12, repayable in seven years by half-yearly instalments of £1 0s. 9d. Total half-yearly, £64 16s. 9d.

Group E.—Coloured Salmon.

14	VII.	528 0 0	5 9·3	76 4 8	0 0
18	"	630 0 0	6 0	94 10 0	0 0
22	"	620 0 0	5 9·3	89 10 3	0 0
49	VI.	396 2 0	8 1·2	80 5 10	25 18 0*
51	II.	293 1 0	9 10·2	72 4 4	0 0
56	"	285 2 0	11 7·2	82 15 11	0 0
57	III.	258 2 0	11 1·2	71 14 9	0 0
65	"	473 0 0	7 5·1	87 16 1	0 0
82	IX., X.	618 0 0	5 0·6	78 0 6	0 0
83	"	879 0 0	4 0·6	89 0 0	0 0
84	"	580 0 0	5 0·6	73 4 6	0 0
85	X., XV.	797 0 0	4 0·6	80 14 0	0 0
87	"	218 0 0	11 10·2	64 11 8	9 14 3†

ROSEWILL SETTLEMENT—continued.

Group E.—Coloured Salmon—continued.

Section.	Block.	Area.			Lease in Perpetuity: Rent, 5 per Cent.					
					Rent per Acre per Annum.			Half-yearly Rent.		
88	X., XV.	A.	R.	P.	s.	d.	£	s.	d.	
90	VI., X.	246	0	0	11	10·2	72	17	7	
96	VII.	380	0	0	9	1·2	86	9	0	
93	VII.	366	0	0	9	10·2	90	2	7	
100	VI., X.	396	0	0	7	7·2	75	4	10	
106	XI.	467	0	0	6	7·2	77	1	2	
107	"	498	0	0	6	10·2	85	5	8	
111	"	494	0	0	7	8·7	95	8	1	
112	"	361	2	0	8	1·2	73	4	1	
113	"	296	2	0	9	6	70	8	5	
115	"	312	0	0	9	1·2	70	19	8	
117	XI., XII.	260	2	0	11	1·5	72	9	1	
116	"	324	2	0	9	4·2	2	3	3½	
118	XII.	379	0	0	9	10·2	93	6	7	
120	"	434	0	0	8	7·2	93	6	3	
	"	231	0	0	12	2·7	70	12	0	

* Interest and sinking fund on buildings valued at £400, repayable in ten years by half-yearly instalments of £25 18s. Total half-yearly, £106 3s. 10d.

† Interest and sinking fund on buildings valued at £150, repayable in ten years by half-yearly instalments of £9 14s. 3d. Total half-yearly, £74 5s. 11d.

‡ Interest and sinking fund on buildings valued at £25, repayable in seven years by half-yearly instalments of £2 3s. 3d. Total half-yearly, £74 12s. 4d.

Group F.—Coloured Yellow.

Section.	Block.	Area.			Lease in Perpetuity: Rent, 5 per Cent.					
					Rent per Acre per Annum.			Half-yearly Rent.		
24	VIII.	A.	R.	P.	s.	d.	£	s.	d.	
61	{ *XII. +IX. }	649	0	0	6	6·6	106	5	6	
77	IX.	714	0	0	5	8·1	101	6	0	
		626	0	0	5	0·6	79	0	8	
							67	19	9*	

* Interest and sinking fund on buildings valued at £1,050, repayable in ten years by half-yearly instalments of £67 19s. 9d. Total half-yearly, £147 0s. 5d.

Group G.—Coloured Brown.

SMALL GRAZING-RUNS.—LEASE FOR 21 YEARS.

Opawa Survey District.

20	IV.	162	0	0	5	3	21	3	3
Tengawai and Opawa Survey Districts.									
42	{ XVI. IV. }	1,640	0	0	2	6·9	105	11	6
Opawa and Pareora Survey Districts.									
43	IV., VIII. V.	1,826	0	0	2	11·7	135	16	3

RAINFALL, 1896-1905, EWEBURN NURSERY, RANFURLY. (Altitude, 1,400 ft.)

Date.	Total Fall for Month.	Number of Days.	Lowest Shade Temperature of Thermometer.	Highest Shade Temperature of Thermometer.	Number of Days of Rain.	Total Rainfall.
1896-1897.						
1896.		Inches.				Inches.
October	...	0·23	...	...	...	...
November	...	0 00	...	...	...	...
December	...	0·58	...	...	...	...
1897.						
January	...	1·86	...	...	...	...
February	...	0·25	...	...	...	...
March	...	2·01	...	...	...	...
Six months	...	4·93	...	...	...	4·93
1897-1898.						
1897.						
April	...	0·19	3	22°, 18th	72°, 13th	...
May	...	0·58	5	17°, 23rd	66°, 2nd	...
June	...	0·05	1	14°, 14th	62°, 4th	...
July	...	0·18	3	16°, 21st	58°, 25th	...
August	...	0·45	6	20°, 16th	64°, 18th	...
September	...	0·71	8	28°, 27th	72°, 22nd	...
October	...	2·83	10	28°, 2nd	70°, 20th	...
November	...	2·08	7	30°, 19th	80°, 15th	...
December	...	0·20	1	30°, 28th	89°, 31st	...
1898.						
January	...	0·30	1	28°, 18th	90°, 21st	...
February	...	0·45	3	26°, 13th	88°, 17th	...
March	...	1·21	5	30°, 23rd	91°, 31st	...
		9·23	53	...	...	9·23

RAINFALL, EWEBURN NURSERY, RANFURLY—*continued.*

Date.	Total Fall for Month.	Number of Days.	Lowest Shade Temperature of Thermometer.	Highest Shade Temperature of Thermometer.	Number of Days of Rain.	Total Rainfall.
1898-1899.						
1898.						
April	0·89	6	21°, 3rd	64°, 13th	...	...
May	0·96	8	24°, 23rd	66°, 1st	...	...
June	0·54	5	16°, 11th	60°, 16th	...	...
July	0·89	9	14°, 25th	52°, 5th	...	...
August	0·44	3	19°, 24th	58°, 28th	...	...
September	1·64	8	24°, 7th	71°, 28th	...	...
October	1·15	8	23°, 5th	70°, 28th	...	...
November	0·84	10	24°, 15th	81°, 30th	...	...
December	1·36	13	30°, 24th	82°, 29th	...	...
1899.						
January	1·34	8	27°, 20th	88°, 5th	...	...
February	1·98	7	30°, 28th	84°, 19th	...	...
March	1·39	8	18°, 13th	78°, 10th	...	...
	13·42	93	...	...	93	13·42

1899-1900.

1899.						
April	0·83	8	13°, 3rd	66°, 1st	...	...
May	1·54	9	14°, 29th	54°, 7th	...	...
June	0·36	1	16°, 9th	58°, 21st	...	...
July	0·89	3	5°, 26th	56°, 24th	...	...
August	1·62	2	7°, 8th	52°, 31st	...	...
September	2·32	7	21°, 28th	63°, 14th	...	...
October	0·58	6	21°, 6th	69°, 17th	...	...
November	1·79	11	25°, 4th	80°, 19th	...	...
December	3·44	13	26°, 8th	82°, 3rd	...	...
1900.						
January	1·91	9	27°, 8th	84°, 30th	...	...
February	2·83	9	29°, 3rd	87°, 7th	...	...
March	1·10	5	27°, 20th	82°, 22nd	...	...
	19·21	83	...	...	83	19·21

1900-1901.

1900.						
April	Inches. 2·81	6	23°, 27th	74°, 1st	...	Inches. ...
May	1·06	8	20°, 25th	66°, 25th	...	...
June	Nil	...	10°, 19th and 23rd	48°, 26th	...	...
July	1·65	10	14°, 10th	58°, 6th	...	...
August	0·39	5	19°, 15th	63°, 15th	...	...
September	0·63	7	22°, 5th	69°, 25th	...	...
October	2·50	12	19°, 13th	72°, 12th	...	...
November	1·59	7	26°, 1st	83°, 22nd	...	...
December	2·49	7	27°, 26th	91°, 18th	...	...
1901.						
January	2·83	11	28°, 12th	93°, 21st	...	...
February	1·92	7	28°, 8th	91°, 20th	...	...
March	0·89	10	16°, 26th	87°, 11th	...	...
	18·76	90	...	...	90	18·76

RAINFALL, EWEBURN NURSERY, RANFURLY—*continued.*

Date.	Total Fall for Month.	Number of Days.	Lowest Shade Temperature of Thermometer.	Highest Shade Temperature of Thermometer.	Number of Days of Rain.	Total Rainfall.
1901-1902.						
1901.	Inches.					Inches.
April	0.55	3	19°, 19th	77°, 6th and 7th	...	...
May	1.13	7	18°, 7th and 13th	62°, 15th	...	...
June	0.05	1	14°, 10th and 13th	58°, 2nd	...	...
July	0.05	1	9°, 1st and 3rd	45°, 8th and 9th	...	...
August	0.38	6	15°, 8th	59°, 13th	...	...
September	0.54	4	21°, 6th	67°, 21st and 24th	...	...
October	0.47	6	22°, 8th	74°, 28th	...	...
November	1.41	7	24°, 7th	77°, 11th and 25th	...	...
December	4.53	17	34°, 23rd and 25th	76°, 27th	...	...
1902.						
January	2.60	9	32°, 29th	86°, 13th	...	...
February	1.62	9	36°, 19th	86°, 3rd	...	...
March	3.71	12	26°, 18th	75°, 4th	...	...
	17.04	82	...	...	82	17.04
1902-1903.						
1902.						
April	1.47	11	25°, 27th	70°, 1st and 2nd	...	...
May	0.53	6	18°, 23rd	55°, 7th and 21st	...	...
June	1.50	5	17°, 17th and 29th	56°, 20th and 21st	...	...
July	0.36	1	20°, 13th and 27th	47°, 28th	...	...
August	1.21	5	16°, 25th	50°, 21st	...	...
September	1.46	7	18°, 9th	55°, 19th	...	...
October	1.12	7	20°, 20th	66°, 7th	...	...
November	0.95	6	25°, 11th	69°, 26th	...	...
December	4.00	13	26°, 14th	78°, 11th and 25th	...	...
1903.						
January	3.83	11	29°, 11th	78°, 24th	...	...
February	1.62	5	30°, 23rd	78°, 3rd	...	...
March	1.53	8	24°, 22nd	72°, 26th	...	...
	19.58	85	...	...	85	19.58
1903-1904.						
1903.						
April	0.70	6	23°, 25th and 26th	62°, 12th	...	...
May	1.57	10	17°, 22nd	56°, 2nd	...	...
June	0.23	3	12°, 7th and 8th	46°, 28th and 29th	...	...
July	0.51	2	-14°, 17th	51°, 1st	...	...
August	0.59	2	8°, 6th and 7th	46°, 12th	...	...
September	0.30	3	18°, 6th	59°, 21st	...	...
October	1.91	8	25°, 4th and 5th	72°, 25th	...	...
November	3.22	8	30°, 11th and 20th	79°, 29th	...	...
December	1.70	7	34°, 5th and 19th	78°, 28th	...	...
1904.						
January	1.44	5	31°, 3rd	90°, 10th	...	...
February	2.13	8	30°, 25th	78°, 27th	...	...
March	4.70	11	25°, 15th	68°, 13th	...	...
	19.00	73	...	...	73	19.00

RAINFALL, EWEBURN NURSERY, RANFURLY—*continued.*

Date.	Total Fall for Month.	Number of Days.	Lowest Shade Temperature of Thermometer.	Highest Shade Temperature of Thermometer.	Number of Days of Rain.	Total Rainfall.
1904-1905.						
	Inches.					Inches.
1904.						
April	0·64	4	26°, 7th	66°, 20th	...	...
May	0·52	5	20°, 30th	62°, 15th	...	...
June	2·48	10	20°, 21st	46°, 10th	...	...
July	0·10	1	14°, 3rd	48°, 27th	...	...
August	0·52	2	6°, 7th	47°, 29th	...	...
September	3·27	10	19°, 24th	56°, 28th	...	...
October	1·13	9	23°, 5th	72°, 20th	...	...
November	1·06	10	26°, 16th	70°, 23rd	...	...
December	2·62	15	28°, 7th	78°, 15th	...	...
1905.						
January	1·98	12	30°, 5th	86°, 14th	...	...
February	0·91	4	36°, 16th	80°, 24th	...	...
March (18th)	0·37	3	32°, 7th	73°, 10th	...	...
	15·60	85	...	...	85	15·60
Grand total ... ..	...	...	...	...	644	136·77

The total rainfall from October, 1896, to 18th March, 1905, amounts to 136·77 in. Average for, say, eight years, 16·48 in. The number of days on which rain occurred was 644.

DEED OF LEASE.

THIS deed made the day of one thousand between the Canterbury College incorporated by an Ordinance of the Superintendent and Provincial Council of the Province of Canterbury intituled "The Canterbury College Ordinance 1873" hereinafter called the said College (which expression whenever hereinafter used shall be construed to include the successors and assigns of the said College save where such construction would be repugnant to the context) of the one part and of in the Provincial District of Canterbury and Colony of New Zealand hereinafter called the lessee (which expression whenever hereinafter used shall be construed to include the executors administrators and assigns of the said lessee save where such construction would be repugnant to the context) of the other part witnesseth that in consideration of the yearly rent hereby reserved and of the covenants and conditions hereinafter contained or herein by law implied and on the part of the said lessee to be paid performed and observed the said College doth hereby demise and lease unto the said lessee all th parcel of land and premises more particularly set forth and described in the schedule hereunder written as the same delineated and more particularly described in the plan thereof drawn or indorsed hereon and therein in outline coloured pink together with all buildings and erections upon the said land and all the rights easements members and appurtenances thereunto belonging or appertaining to hold the said land and hereditaments and all other the premises hereby demised or expressed or intended so to be unto the said lessee for the term of from the day of one thousand yielding and paying therefor yearly and every year during the said term the yearly rent of per acre for every acre and portion of an acre of the land hereby demised making in all a yearly rent during the said term of such yearly rent to be paid in advance clear of all deductions whatsoever by equal half-yearly payments upon the first day of May and the first day of November in every year during the term hereby granted the first of such half-yearly payments having been made prior to the execution of these presents the second of such half-yearly payments to be made on the day of now next ensuing Provided always and it is hereby expressly declared and agreed by and between the parties hereto that all the covenants powers conditions and agreements directed by an Act of the General Assembly of New Zealand intituled "The Property Law Consolidation Act 1883" to be implied in conveyances of land for valuable consideration by way of lease shall be herein implied save and except in so far as the same or any of them are negative or modified by or are inconsistent with the provisions of these presents And the said lessee doth hereby covenant with the said College in manner following that is to say that he the said lessee shall and will insure and during the term hereby granted keep insured in the joint names of the said College and the said lessee all buildings now erected or which may at any time hereafter during the term hereby granted be erected upon the land hereby demised against loss or damage by fire in some public insurance

office carrying on business in the City of Christchurch of which the said College shall approve in the full insurable value thereof and shall and will duly and punctually pay the premiums duty and charges payable in respect of such insurance upon the first day upon which the same ought to be paid And shall and will when and so often as he shall be required so to do produce and hand over to the said College the policy or policies evidencing such insurance and the receipt for the premiums duty and charges payable in respect of the same for the current year And shall and will and as often as such buildings or any part thereof shall during the said term be destroyed or damaged by fire with all convenient speed after the happening of such fire under the direction of the said College or of some person authorised by the said College for that purpose expend and lay out all moneys which shall be received under and by virtue of such insurance in and towards repairing reinstating or rebuilding the buildings so damaged or destroyed And shall and will in case the moneys so received shall prove insufficient for that purpose provide out of his own moneys such further sum or sums as may be required and will lay out and expend the same in completing and repairing reinstating or rebuilding of such buildings And also that he the said lessee shall and will throughout the term hereby granted keep and maintain all buildings gates fences and improvements now standing and being or which may hereafter at any time during the term hereby granted be erected upon the land hereby demised in good and tenantable order condition and repair and shall and will at the end or sooner determination of the said term yield and deliver up the said land with all such buildings gates fences and improvements in like good and tenantable order condition and repair And also that he the said lessee shall and will within the first three years of the said term fence and enclose the whole of the land hereby demised from the adjoining lands and roads with a good and substantial fence sufficient in all respects to comply with the provisions of an Act of the General Assembly of New Zealand intituled "The Fencing Act 1895" or any other law to regulate the fencing of land and to restrain the trespass of cattle which may for the time being be in force in the Colony of New Zealand and shall and will at all times after the erection of such fence during the term hereby granted keep and maintain the said land so fenced in and enclosed and shall and will at the end or sooner determination of the said term yield and deliver up the same so fenced in and enclosed and also will throughout the term and as often as it shall be necessary so to do pull up mow or destroy all thistles docks nettles and other weeds growing upon the hereby demised land And also that he the said lessee shall and will once in every year of the term hereby granted at the proper season for so doing in a proper and workmanlike manner cut over dress and trim all live and growing hedges and fences which now are or which may at any time hereafter during the term hereby granted be growing upon the land hereby demised and shall and will during the said term maintain and keep such hedges and fences in good order and condition and shall and will at the end or sooner determination of the said term yield and deliver up the land hereby demised with all such live hedges and fences in such good order and condition properly cut and trimmed And also that he the said lessee—shall and will at least once in every year of the said term stub and root up all gorse broom and briar growing upon the land hereby demised which shall not be growing in and as a hedge or fence or which shall be spreading from a hedge and growing upon the hereby demised land or any road or roads adjoining the same And also that he the said lessee shall and will throughout the said term farm and cultivate the land hereby demised in a proper and husbandlike manner and upon a system of rotation of cropping not more exhausting than as hereinafter mentioned that is to say so and in such manner that not more than two crops of grain shall in any case be taken in immediate succession from any part of the said land and so also that not more than two crops of grain in all in any period of five years of the term hereby granted shall be taken from any part of the land hereby demised And also that he the said lessee shall and will at his own cost and expense either together with the second crop of grain or immediately after the removal of the second crop of grain sow and lay down the portion of the land hereby demised in which such second crop of grain shall be sown or off which it shall have been removed with a sufficient and proper quantity of good English grasses and will thereafter maintain and keep the land so sown as aforesaid properly laid down in English grass pasture for the period of three years at the least And also that if and as often as such grasses after the same shall have been so sown and laid down shall through grub or any other cause fail to come up and grow the said lessee shall report such failure to the said College and shall forthwith at the proper season of the year sow and lay down such land again with a sufficient and proper quantity of good English grasses unless upon reporting the failure of such grasses to the said College as aforesaid the said College shall give the said lessee a license exempting him from resowing such land with grass as aforesaid And also that he the said lessee shall and will before or in the spring season of the eleventh year of the term hereby granted in a proper and husbandlike manner sow and lay down his own seed at the least of the land hereby demised (being three-fourths of the area thereof) with a sufficient and proper quantity of good permanent English grasses and shall and will thereafter during the residue of the term hereby granted keep and maintain the said portion of the said land so sown as aforesaid properly laid down in permanent English grass pasture and will at the end or sooner determination of the term hereby granted yield and deliver up the said land with the said portion thereof well and sufficiently laid down in permanent English grass pasture And also will throughout the said term clean out at least once during every year in a proper manner and keep in good order all ditches watercourses and drains upon the hereby demised land And also that he the said lessee shall and will permit the said College at all reasonable times to enter upon the hereby demised land to view the state and condition of all such ditches watercourses and drains and of all buildings gates fences and improvements on the said demised land and of all wants of repair therein then respectively found to give or leave a notice in writing for the said lessee to amend the same And also will at his own cost and expense within one calendar month from the giving or leaving such notice well and sufficiently

amend the same accordingly And further that if the said lessee shall make default in observing any such notice as aforesaid or shall make default in keeping all such ditches watercourses and drains buildings gates fences and improvements or any of them in good repair and condition then and in such case it shall be lawful for but not obligatory upon the College to enter upon the demised land and to cut repair and clean out such watercourses ditches and drains and execute and do all such other repairs and amendments to the said premises as may be deemed necessary and proper and that the said lessee shall and will forthwith pay to the said College the costs and expenses of and incidental to all such repairs And also that the said lessee shall and will pay all rates assessments and outgoings of every description which may during the term hereby granted be payable in respect of the land hereby demised And also that he the said lessee shall not and will not assign sublet or otherwise part with the possession or occupation of the land hereby demised or any part thereof or execute any mortgage affecting the same without the consent in writing of the said College for that purpose first had and obtained And it is hereby declared and agreed that it shall be lawful for the said lessee at any time during the last year of the said term but not later than three calendar months before the expiration thereof by notice in writing to call upon the said College to appoint a valuer and upon the receipt of such notice it shall be the duty of the College to appoint a valuer and such valuer when appointed shall settle and determine the value to an incoming tenant of any and every substantial building and buildings erected upon and permanently affixed to the said land during the said term by the lessee with the written approval of the College in that behalf first obtained and in case the said lands shall be again let to any person other than the said lessee the same shall be let subject to the condition that the incoming tenant shall pay to the College the value of the said buildings as so ascertained and determined and the College will on receipt of the amount of such valuation and after deducting the valuer's reasonable charges for making such valuation and any moneys due or accruing due by the said lessee to the said College pay and hand over the balance to the said lessee and the said College shall and will at the cost and charges of the lessee use all reasonable endeavours to obtain payment from such incoming tenant of the amount of such valuation Provided nevertheless that it shall not be obligatory upon the said College to obtain payment of the amount of the said valuation nor shall it be in any way liable to the lessee in case it fails to recover the same or any part thereof Provided further that in no case shall any incoming tenant be required to pay or the said lessee entitled to recover a greater sum than in respect of any building or buildings erected upon the land and premises hereby demised and so to be valued as aforesaid Provided always and these presents are upon this express condition that if and whenever the rent hereby reserved or any part thereof shall be in arrear and unpaid for the period of twenty-one days whether the same shall have been legally demanded or not or if and whenever there shall be a breach non-observance or non-performance of any of the covenants or conditions by and on the part of the said lessee herein contained or herein by law implied the said College may re-enter upon any part of the land hereby demised in the name of the whole and thereupon the term of hereby granted shall absolutely determine Provided always that such re-entry by the said College shall not in any way prejudice affect or impair the right of the said College to enforce payment of any moneys payable to the said College by virtue of these presents or to maintain any action suit or proceeding against the said lessee for any damage which may be or have been sustained by the said College by reason of any such breach non-observance or non-performance and that in case of any such re-entry the said College shall be entitled to recover in an action of debt against the said lessee the rent accruing between the date of the last payment of such rent and the date of making such re-entry.

In witness whereof the said parties hereto have executed these presents.

The Schedule hereinbefore referred to.

Signed by the said

MEMORANDUM OF LEASE.

[Approved by D.L.R., Christchurch, New Zealand.]

THE Canterbury College incorporated by an Act of the General Assembly of New Zealand intituled "The Canterbury College and the Canterbury Agricultural College Act 1896" and hereinafter called "The said College" being registered as the proprietor of an estate in fee-simple subject however to such encumbrances liens and interests as are notified by memorandum underwritten or endorsed hereon in that piece of land situated in the District of Selwyn containing by estimation thirteen thousand seven hundred acres be the same a little more or less being Run No. and being part of the land comprised in Crown grant recorded in the Canterbury District Land Registry in Register-book Vol. 13 folio 160 as the same is delineated on the plan drawn hereon and therein coloured green in outline doth hereby lease to of Selwyn in the Provincial District of Canterbury sheep-farmer and hereinafter called the lessee all the said lands to be held by him the said lessee as tenant for the term of thirteen years to be computed from the first day of March one thousand nine hundred and four at the yearly rental of payable as follows a sum equal to one-half year's rent on or before the execution hereof and a further sum equal to six calendar months' rent in advance on the first day of September one thousand nine hundred and four and thereafter by equal half-yearly payments in advance on the first day of March and the first day of September in each year the first of such last-mentioned half-yearly payments to be made on the first day of March one thousand nine hundred and five subject to the covenants conditions and restrictions herein contained and implied the said lessee for himself his heirs executors administrators and permitted assigns doth hereby covenant with the said

College its successors and assigns as follows That he the said lessee will pay the rent hereby reserved at the times and in the manner hereinbefore provided for payment of the same And that he the lessee " will insure " And that he the lessee " will not lease assign or sublet " And that he the lessee shall and will pay all rates assessments taxes and outgoings of every description which may during the term hereby granted be payable in respect of the land hereby demised And that he the lessee will at all times during the continuance of this demise keep and maintain all buildings fences and improvements erected built or placed on the said land in good condition and complete repair and so yield up the same at the expiration or other sooner determination of the said term And will immediately after the commencement of the term hereby granted grub up clear away and destroy all noxious weeds gorse sweetbriar bramble and broom growing on the said land And will at all times during the continuance of this lease keep the said land free from noxious weeds as defined in " The Noxious Weeds Act 1900 " gorse sweetbriar bramble and broom save and except such gorse only as shall form part of any fence on the said land And that he the said lessee will not burn the grass upon the said land during the months of December January February March April May and June or such other months not exceeding altogether seven months in any one year as the said College shall from time to time by notice in writing sent to the lessee determine And further that the lessee shall prevent the destruction or burning of timber or bush growing on the said land And further that the lessee shall destroy all rabbits which from time to time may be upon the said land and prevent them from increasing or spreading over or upon the said land Provided also and it is hereby declared and agreed that the said College may at any time and from time to time cause to be given to the lessee notice in writing that the whole or any part of the said demised lands has been sold by the College as agricultural or pastoral land and thereupon this lease and the term hereby granted in respect of the land specified in such notice shall determine and be void Provided always that in case this lease shall be determined at any time as to part only of the said lands by notice as aforesaid the rent hereby reserved shall be reduced at the next half-yearly day for payment to an amount proportionate to the value of the area over which this lease has not been so determined Provided also that the said lessee shall not at any time during the said term without the previous consent in writing of the said College in that behalf first obtained plough or cultivate any part of the said lands or dig up or take away any minerals thereon or thereunder And further that the said College or the Crown shall have the right to lay out construct and make such roads and rights of way upon over or through the said lands as either may think necessary without making any compensation to the lessee therefor Provided further and this lease is subject to the express condition that the lessee not being the actual tenant at the time of the commencement of the term hereby created shall before being let into possession pay to the said College the value of any improvements made on the land and premises hereby demised such value to be fixed and determined as next hereinafter provided that is to say in the event of the lessee being some person other than the tenant in possession immediately prior to the commencement of the said term the College shall at least one month before the commencement of the said term appoint an appraiser to value all improvements consisting of necessary buildings and of plantations fences and ditches for draining made on the said lands Provided the amount of such valuation to be paid as aforesaid shall exclusive of the value of a rabbit-proof fence not exceed three times the amount of the average annual rent paid under the lease or license of the tenant in possession immediately prior to the commencement of the said term during the term of such last-mentioned tenant when the annual rent exceeds fifty pounds or five times such amount in cases where the annual rent does not exceed fifty pounds Every rabbit-proof fence erected by a lessee or license on a run with the sanction of the Governor or the College and to his satisfaction shall be valued as an improvement and such value shall be paid by the said lessee On the receipt of any money paid on a valuation made as aforesaid the College will on application being made to it in that behalf pay over such money to the person entitled to the benefit of the lease or license expiring immediately before the commencement of the term hereby created Provided also and it is hereby further declared and agreed that in anticipation of the expiry of this lease the College shall cause the premises hereby demised to be offered at auction at least twelve months before the expiration of the term hereby created for a further term of years or for such other estate or interest and subject to such terms and conditions as the College may deem expedient and may be authorised by law such sale shall be upon the express condition that the purchaser of such further term of years or other estate not being the lessee under the term hereby created his executors administrators or permitted assigns shall before being let into possession pay to the College the value of any improvements made on the said land and premises such value to be fixed and determined as next hereinafter provided (1) In the event of the said lessee not becoming the purchaser the College shall at least one month before the expiration of this lease appoint an appraiser to value all improvements consisting of necessary building and of plantations fences and ditches for drainings made on the said lands the lease of which shall have been so sold at auction as aforesaid Provided nevertheless that the amount of such valuation so to be made and paid as aforesaid shall exclusive of the value of any rabbit-proof fence in no case exceed three times the amount of the average annual rent paid under this lease during the term thereof or five times such amount in case the annual rent under this lease does not exceed fifty pounds Every rabbit-proof fence erected on the premises hereby demised with the sanction of the College and to its satisfaction shall be included with the improvements mentioned in this proviso and shall be valued therewith on the expiry of the lease and such value shall be paid by the purchaser of such further term of years or other estate to the said College (2) On the receipt of any money paid on a valuation made as aforesaid the said College shall on application being made to it in that behalf pay over to the person who immediately before the expiration of this lease is entitled to the benefit thereof the amount received for such valuation (3) No lessee shall have any claim for valuation or compensation for or on account of any improve-

ments against the College And also that the said lessee shall and will during the continuance of the said term and if and when required by the said College insure and maintain an insurance in the joint names of the said lessee and of the said College against all claims for damages or compensation which may at any time during the continuance of these presents be brought had or enforced against the lands and premises hereby demised under or by virtue of the provisions of "The Workers' Compensation for Accidents Act 1900" and will duly and punctually pay all premiums and moneys necessary for effecting and keeping up the said insurance when the same shall become due and shall and will forthwith deliver to the College the policy or policies of such insurance and will from time to time when and so often as the premiums in respect of such insurance become due hand over to the said College the receipt or receipts for the annual or other premiums payable on account thereof and if default shall at any time be made by the said lessee in effecting or keeping up such insurance as aforesaid or in producing any such policy or receipt to the said College it shall be lawful for but not obligatory on the said College to effect and maintain such insurance and to recover from the said lessee all costs charges and expenses incurred by it in so doing with interest after the rate aforesaid from the time of the same respectively having been so expended or applied Provided also and it is hereby declared and agreed that if and whenever the rent hereby reserved or any part thereof shall be in arrear and unpaid for the period of twenty-one days whether the same shall have been legally demanded or not or if and whenever there shall be a breach or non-observance or non-performance of any of the covenants or conditions by and on the part of the said lessee herein contained or herein by law implied the said College its successors or assigns may re-enter upon any part of the land hereby demised in the name of the whole and thereupon the term of years hereby granted shall absolutely determine Provided always that such re-entry by the said College shall not in any way prejudice affect or impair the right of the said College to enforce payment of any moneys payable to the said College by virtue of these presents or to enforce the performance of any covenant condition or agreement on the lessee's part herein contained or implied or to maintain any action suit or proceeding against the said lessee or any damage which may be or have been sustained by the said College by reason of any such breach non-observance or non-performance of any such covenant condition or agreement and that in case of any such re-entry the said College shall be entitled to recover in an action for debt against the said lessee the rent accruing between the date of the last payment of such rent and the date of making such re-entry.

I of aforesaid sheep-farmer do hereby accept this lease of the above-described lands to be held by me as tenant and subject to the conditions restrictions and covenants above set forth.

Dated this day of 1903.

The corporate seal of the Canterbury College was hereto affixed by authority of a meeting duly held at Christchurch this day of 1903 in the presence of the undersigned.

EAST.

SCHEDULE OF LOAN BLOCKS IN EASTERN DIVISION OF THE WELLINGTON LAND DISTRICT, with the Amounts of the Loans authorised and expended, and the further Expenditure from Public Works Fund, also the approximate Chainage of the Road-formations.

Number of Loan Block.	Name of Loan Block.	Survey Districts and Blocks.	Loans.			Expenditure from Public Works Fund.	Total Expenditure from Public Works Fund.	Approximate Chainage Road-formation.				Remarks.
			Amount of Loan.	Amount authorised.	Amount expended.			Not cleared.	Cleared only.	Ridge-track.	Dray-road.	
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.					
1	Hall Freehold ..	Mangahao, I., II. ..	794 0 0	794 0 0	794 0 0	1,563 12 4	2,356 12 4	100	..	260	400	Sections with frontage to uncleared road have access.
2	North-east Puketoi ..	Makuri, VII., VI., XI., XVI.; Mount Cerberus, XII.	3,990 0 0	3,990 0 0	3,990 0 0	6,876 17 10	10,866 17 10	340	..	440	1,100	
3	East Puketoi; Pahiatua 1, 2, 3, 4; Rising Sun; Masterton Reform; Pongaroa Village-settlement; Rakaunui Village-settlement; Woodville No. 2; Kalkoura; Christ-church	Mount Cerberus, XII.; Puketoi, VIII., IX., X., XII., XIII.; Aohanga, I.; Makuri, XI., XV.; Puketoi, III., IV., VIII.	19,375 0 0	19,375 0 0	19,375 0 0	94,716 8 5	114,091 8 5	840	280	1,940	7,640	
4	Mekallikstone Freehold	Aohanga, V., VI. ..	1,508 0 0	1,508 0 0	1,508 0 0	7,012 4 4	8,515 4 4	80	..	300	400	
5	Puketoi-Aohanga ..	Aohanga, V.; Puketoi, VIII. ..	319 0 0	319 0 0	319 0 0	..	319 0 0	..	..	..	220	
6	Dannevirke Centennial	Aohanga, VI., X., XI. ..	2,494 0 0	2,200 0 0	2,200 0 0	1,508 14 5	3,708 14 5	..	200	660	80	
7	Waivera ..	Taueru, II.; Mangahao, XIII.	1,460 0 0	1,431 10 7	1,431 10 7	2,542 7 4	3,973 17 11	360	..	80	420	
8	Kakariki ..	Taueru, IV.; Mangaone, I. ..	1,561 12 6	1,561 12 6	1,561 12 6	567 18 5	2,129 10 11	*140	..	40	520	
9	Shirling ..	Tararua, IV., VI., VII. ..	1,192 10 0	1,193 0 0	1,193 0 0	1,778 17 8	2,971 17 8	*120	..	..	440	
10	Kaiparoto ..	Tararua, VI., IX., X., XIII., XIV.	1,174 0 0	1,174 0 0	1,174 0 0	1,182 11 3	2,356 11 3	440	..	60	560	
11	Mount Baker and Pioneer Freehold	Mangaone, X., XI., XV., XIV., XVI.	2,487 6 0	2,471 0 0	2,471 0 0	6,601 5 1	9,072 5 0	*80	..	..	1,500	
12	Te Mara ..	Mikimiki, III., VII., X., XI. ..	486 0 0	486 0 0	486 0 0	1,521 10 5	1,957 10 5	160	..	180	440	Chiefly formed road of access outside block, and unformed roads in block to give access to Crown land.
13	Kaitangata ..	Mikimiki, X., XIII.; Waibhine, IV., VI.; Tiffin, I., II., V., IX.	884 0 0	884 0 0	884 0 0	3,059 12 10	3,941 12 10	380	..	100	880	Outside block to give access thereto.
14	Kaiwaka (White Rock) ..	Kaiwaka, IV., VIII., XI. ..	598 0 0	598 0 0	598 0 0	450 0 0	1,048 0 0	120	..	400	..	

* Not required at present.

WEST.

SCHEDULE OF LOAN BLOCKS in WESTERN DIVISION of the WELLINGTON LAND DISTRICT, with the Amounts of the Loans authorised and expended, and the further Expenditure from Public Works Fund; also the approximate Chainages of the Road-foundations.

No. on Litho.	Name of Loan Block.	Survey Districts and Blocks.	Loans.			Expenditure from Public Works Fund.		Total Expenditure from Loan and Public Works Fund.	Additional Proportion of Expenditure on Main Roads.			Approximate Chainage Road-formation.			Remarks.
			Amount of Loan.	Amount authorised.	Amount expended.	£	s.		d.	£	s.	d.	Not cleared.	Cleared only.		Bridle-track.	Dray-road.
1	Part of Kaitieke	Kaitieke, VI., VII., X., XI., XIV., &c.	11,875 0 0	6,513 9 0	5,827 18 2	2,809 15 5	8,637 13 7	2,300	1,200	1,200	2,300	1,200	..	Requisition signed for balance of loan.	
2	Gladstone	Manganui, VII., VIII., XII.	1,899 0 0	1,899 0 0	1,898 8 3	1,667 14 2	3,566 2 5	440	480	480	440	480	..		
3	Marlon No. 3	Manganui, X., XIII., XIV., XV.	2,270 0 0	2,270 0 0	2,259 0 7	1,662 15 0	3,921 15 7	540	620	620	540	620	300		
4	Manganui and Ruapahu	Manganui, XV., XVI.	1,838 0 0	1,838 0 0	1,838 0 0	1,958 8 4	3,796 8 4	540	440	440	540	440	..	Unformed road through Crown land, not open for selection. Unformed road not required at present.	
5	Horopito I.F.	Manganui, XV., XVI.	500 0 0	500 0 0	500 0 0	31 9 5	538 9 5	80	220	220	80	220	40		
6	Waimarino S.F.	Manganui, XIV., XV.	7,887 0 0	7,887 0 0	7,887 0 0	3,127 2 9	10,964 2 9	120	140	140	120	140	620		
7	Wanganui United W.	Makotuku, II., VI.	..	..	..	..	..	40	220	220	40	220	400	
8	Waimarino-Atuahae	Makotuku, IX.	402 0 0	385 4 3	350 0 0	441 10 11	791 10 11	310	260	260	310	260	760		
9	Makotuku III.	Makotuku, III., VII.	1,556 0 0	1,556 0 0	1,556 0 0	1,847 0 7	3,403 0 7	280	40	40	280	40	240		
10	Wanganui United E.	Karori, I., V.; Makotuku, VIII.	1,163 0 0	1,163 0 0	1,163 0 0	1,477 1 4	2,640 1 4	180	180	180	180	180	660		
11	Clifton No. 1	Ngamatea, IV., VIII.; Maungakaretu, I., V., VI.	2,078 0 0	2,078 0 0	2,078 0 0	2,737 8 6	4,815 8 6	360	1,320	1,320	360	1,320	..		
12	Ngamatea-Maungakaretu	Maungakaretu, X.	386 0 0	386 0 0	386 0 0	847 19 4	1,233 19 4	40	..	..	40	..	340	
13	Te Ruauui	Maungakaretu, XII., XVI.	409 0 0	409 0 0	408 18 2	10 16 0	419 14 2	160	..	..	160	..	110	
14	Ngaurukahu	Ohinewairua, IX., X.	..	..	..	..	..	..	..	..	..	..	410	Not brought under Government Loans to Local Bodies.
15	Hautapu I.F.	Ohinewairua, IX., X.	1,114 0 0	1,114 0 0	1,114 0 0	693 16 5	1,807 16 5	80	130	130	80	130	400	Unformed road, not required at present.	
16	Orakura	Ohinewairua, X., XI., XV., XVI.	2,935 0 0	1,500 0 0	1,402 9 2	3,537 0 1	4,939 9 3	260	440	440	260	440	260	Requisition signed for balance of loan.	
17	Ohinewairua-Pukeokahu	Ohinewairua, VIII., XII., XVI.; Pukeokahu, V., VI.	2,844 0 0	2,844 0 0	2,844 0 0	2,853 7 7	5,697 7 7	..	260	260	..	260	800		
18	Pukeokahu	Pukeokahu, X., XIII., XIV., Ohinewairua, XVI.	2,141 10 0	2,141 10 0	2,141 10 0	6,564 7 2	11,454 17 2	40	400	400	40	400	840	£11,454 17s. 2d. includes £2,749 loan expended in Palmerston North Knights of Labour.	
19	Sommerville	Hautapu, IV.; Ruahine, I. Ohinewairua, IX.; Maungakaretu, XVI.; Tiriraukawa, IV.	481 0 0	481 0 0	481 0 0	89 10 7	481 0 0	..	..	..	..	..	180	
20	Ohinewairua XIII.	Ohinewairua, XIII.	117 0 0	117 0 0	115 5 0	1,653 15 9	204 15 7	40	..	..	40	..	100	
21	Taihape Village-Settlement	Ohinewairua, XV., XVI.	1,865 0 0	1,865 0 0	1,865 0 0	1,653 15 9	3,518 15 9	..	100	100	..	100	840		
22	Ohinewairua	Maungakaretu, XIII., XIV., XV.; Tiriraukawa, I., II., III., V., VI., VII.	6,959 0 0	6,959 0 0	6,959 0 0	14,108 18 3	21,067 18 3	480	2,900	2,900	480	2,900	1,200		
23	Pohouiatane (Hunterville 1, 2, 3)	Tiriraukawa, I., II., III., V., VI., VII.	2,749 0 0	2,749 0 0	2,749 0 0	See Sommerville, No. 19.	2,152 1 9	..	580	580	..	580	1,400		
24	Palmerston North Knights of Labour	Tiriraukawa, III., IV., VII., VIII.	1,686 0 0	1,686 0 0	1,686 0 0	1,450 0 8	3,136 0 8	..	440	440	..	440	620		
25	Tiriraukawa; Hautapu	Tiriraukawa, IV.; Hautapu, I., V., VI.	3,230 0 0	3,230 0 0	3,087 0 0	6,287 11 0	9,374 11 0	50	700	700	50	700	1,400		
26	Upper Makohine; Master-ton-Tenui	Hautapu, I., V., VI., IX., XV.	..	..	..	..	..	..	..	..	..	..	..

* Including expenditure in Palmerston North Knights of Labour.

SCHEDULE of LOAN BLOCKS in WESTERN DIVISION of the WELLINGTON LIAND DISTRICT, &c.—continued.

No. on List.	Name of Loan Block.	Survey Districts and Blocks.	Loans.		Amount expended.		Expenditure from Public Works Fund.		Total Expenditure from Loan and Public Works Fund.		Additional Proportion of Expenditure on Main Roads.	Approximate Change Road-formation.			Remarks.
			Amount of loan.	Amount authorised.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	Not cleared.	Cleared only.		Bridle-track.	Dray-road.		
*27	Hautapu-Ruahine No. 2	Hautapu, VIII; Ruahine, IX, XIII; Apiti, IV; Umutoi, I.	4,192 15 0	4,192 15 1	4,192 15 1	698 0 0	4,890 15 1	..	440	..	100	960			
*28	Kawhatau	Hautapu, X, XI.	1,425 0 0	1,367 6 4	1,367 6 4	20,038 14 8	21,406 1 0	..	480	..	140	580			
*29	Hautapu No. 2	Hautapu, X, XIII, XIV.	1,714 0 0	1,714 0 0	1,714 0 0	3,718 12 6	5,432 12 6	..	80	..	220	700			
*30	Hautapu, Pemberton I.F.	Hautapu, XI, XIV, XV.	1,573 0 0	1,573 0 0	1,573 0 0	3,955 10 1	5,528 10 1	..	120	..	400	840			
*31	Hautapu Ruahine	Hautapu, XI, XII, XV, XVI, Ruahine, IX, XIII; Apiti, IV; Umutoi, I.	7,000 0 0	6,925 8 7	6,925 8 7	9,571 7 3	16,496 15 10	..	1,200	..	1,040	2,400			
*32	Onslow	Umutoi, I.	601 0 0	386 9 9	386 9 9	364 15 6	751 5 3	..	280	..	..	..	Crown lands, except three sections with dray-road access.
*33	Umutoi	Umutoi, IV.	550 0 0	550 0 0	550 0 0	1,402 11 8	1,952 11 8	..	360	..	160	..			
*34	Mongoira Coal Creek	Apiti, VIII, XII.	2,031 0 0	2,031 0 0	2,031 0 0	3,311 9 1	5,342 9 1	..	60	..	100	780			
*35	Pohangina	Umutoi, IV, VII, VIII.	1,181 0 0	1,181 0 0	1,181 0 0	..	1,181 0 0	..	100	..	220	540			
*36	Salisbury and Delaware	Umutoi, VII, X; Apiti, XII, XVI, Pohangina, IV.	3,330 0 0	3,350 0 0	3,350 0 0	2,512 10 10	5,862 10 10	..	40	..	280	2,200			
*37	Oroua Coal Creek North	Apiti, X, XI, XIV, XV, XVI.	1,050 0 0	1,050 0 0	1,155 18 11	2,483 3 9	3,533 3 9	..	240	..	..	440	
*38	Malton	George, II.	302 0 0	302 0 0	302 0 0	605 4 4	907 4 4	..	120	..	..	120	
*39	Raupiu	Ngamatea, XII, XIV.	385 0 0	385 0 0	233 12 3	370 17 5	604 9 8	..	40	..	160	..			
40	Tauakira	Ngamatea, XIII, XIV; Tanakira, XVI; Waipakura, III, IV, VII.	2,592 0 0	2,592 0 0	2,563 17 5	403 12 9	2,967 10 2	..	1,400	..	620	..			
41	Mowhanau	Nukumaru, XV.	380 0 0	380 0 0	378 7 9	..	378 7 9	..	..	..	..	80	£100 spent by Waitotara County Council.
42 & 44	Momahaki	Momahaki, V.	270 0 0	270 0 0	270 0 0	..	270 0 0	..	..	..	..	180	
43	Te Ngaue	Onahine, I.	367 0 0	367 0 0	344 13 6	..	43 13 6	..	..	..	250	..	Balance, £22 6s. 6d., in hands of Patea County Council.
44	(See Momahaki.)	Momahaki, XIII, XIV, IX, X.	..	..	..	..	..	..	..	..	..	..
45	Momahaki Village settlement	Wairoa, VIII.	1,360 0 0	1,360 0 0	1,360 0 0	..	1,360 0 0	..	40	..	..	320	
46	Tararua	Mangahao, II, XIX.	998 0 0	998 0 0	908 0 0	5,862 17 0	6,860 17 0	..	..	..	..	740	
47	Wellington Fruit-growers	Kaitiawa, X.	1,304 3 0	1,304 3 0	1,304 3 0	328 17 0	1,633 0 0	..	80	..	40	560			

* Blocks numbered 27 to 38 inclusive are in Mr. G. F. Robinson's (District Road Engineer) district.

ADDITIONAL CORRESPONDENCE.

PETITION OF PASTORAL TENANTS.

[Presented by Mr. B. E. H. TRIPP, at Timaru, on the 5th April, 1905.]

To the Chairman and members of the Land Commission.

WE, the undersigned pastoral tenants, or being otherwise interested in pastoral leases, wish to bring before you the following observations and suggestions:—

It is admitted by all practical men who have experience of the hill country of Canterbury and Otago that the present tenure under which the pastoral runs are held is detrimental to the interests of the licensee and of the colony.

Under the present law the pastoral runs are let for a period of not more than twenty-one years, and in many cases the term is only fourteen years. The licensee at the end of this term only gets compensation for buildings, fences, and ditches for draining; no compensation is given for grassing, and in no case is the compensation to exceed three times the amount of the average annual rent. At the end of the term the license is put up to auction. It will be seen, therefore, that there is no inducement for the licensee to improve his property. If he improves his property by sowing grass-seed he finds that, because his property is so improved, when he comes to the auction some one else wants his property, and he is run up to a high figure before he can get it back again. In some cases a licensee has put all his capital into permanent improvements for which he cannot get compensation, and, therefore, he, if run up at the auction, will pay a very high rent in order to get the lease back. The consequence is that if bad years come the Crown will find that the licensee cannot pay the rent, or the licensee may just be able to make both ends meet, in which case he does no further improvements to the lands, and the lands deteriorate. The colony does not want an excessive rent, but only a fair rent, and a good tenant who will improve the Crown lands. The effect generally of the existing tenure is as follows:—

1. Practically no grasses are sown in the hill country and the native grasses are eaten out, and the country will not carry the stock it used to.
2. Towards the end of his tenure the licensee, knowing that he may lose his license, keeps all the stock he can on the land, and exhausts the land.
3. The land is found to go back, and the following facts will be found to be correct:—
 - (a.) Rents from pastoral runs have decreased.
 - (b.) The same number of sheep cannot be carried on the hill country in the South Island now as were carried, say, fifteen years ago. (The Sheep Returns and also the Freezing-works and Export Returns will show this statement to be correct.)

The farmers on the plains now, in many cases, look to the licensees on the hills to breed the sheep for them to fatten. From the above statement it will be clearly seen that the present tenure under which the pastoral runs are held is one which is very detrimental to the colony. The present tenure was introduced many years ago. It is only of late years that, seeing sheep and rent decreasing, practical men are looking out for the cause and the remedy. We submit it is clearly shown that the present tenure under which pastoral runs are held should be altered, and the following alteration of the law is suggested:—

1. That all pastoral tenants whose leases have not expired by the 1st January, 1906, should have the option to renew them for fourteen or twenty-one years from that date, at a rental to be fixed by arbitration.
2. That the new leases should contain the following clauses relating to improvements:—
 - (a.) That if during the term of the new lease the licensee shall expend on improvements a sum to be inserted in the license when it is signed, then the licensee shall have the option to have a renewal of his lease, at a rental to be fixed by arbitration twelve months before the expiry of his lease, for a further period of fourteen or twenty-one years, such renewal to be on the same terms as the existing lease.
 - (b.) Such new lease shall state the value of the improvements for which the licensee was entitled to compensation under the leases referred to in paragraph numbered 1.
 - (c.) That if seven months previous to the expiration of the new lease the licensee does not give notice to the Commissioner of Crown Lands of his intention to renew his lease, then the lease shall be put up to auction for a further term of fourteen or twenty-one years, and the sale shall be on the express condition that the purchaser, not being the actual licensee, shall, before being let into possession, pay to the Receiver of Land Revenue three-fourths of the amount spent on improvements on the run during the existence of the lease then in existence, and also three-fourths of the value of the improvements referred to in paragraph (b), such auction shall take place six months before the expiration of the existing lease.
 - (d.) The term "improvements" shall be deemed to include buildings, plantations, fences, ditches for draining, the making of roads or bridle-tracks, snow-shelters, and the sowing of the grasses to be approved by the Land Board, such as cocksfoot, Chewing's fescue, crested dogstail, blue-grass, &c.
 - (e.) The licensee shall, before he proceeds to make any improvements on the run, inform the Land Board by notice in writing what improvements he proposes to make, and after such improvements are made the licensee shall immediately forward a statement and vouchers showing the cost of such improvements, and, if the Land Board so require, a declaration by the licensee or his manager that the moneys shown in the statement have been duly spent as aforesaid.

(f.) If twelve months before the expiration of any lease or renewal the Governor is of opinion that the lease shall be determined for the purposes of closer settlement, then, on giving the licensee twelve months' notice, the license shall at the expiration of such notice be determined, provided that on giving up possession of the same the licensee shall be paid three-fourths the costs of all improvements as aforesaid.

[Here follow signatures.]

NELSON COLLEGE AND RIWAKA LEASEHOLDS.

[Referred to in evidence of Mr. Fell, Nelson.]

A Committee of the Council of Governors was appointed on the 31st August, 1904, to visit Riwaka, inspect the leasehold lands vested in the Council, and hear any representations made in support of the application on behalf of the tenants that they should be entitled to any improvements made by them, or to compensation therefor on termination of lease.

REPORT OF COMMITTEE.

We have this day, 16th November, 1904, inspected the various properties in Riwaka belonging to the College Governors, and have seen and questioned each tenant with reference to his position and his claim against the Governors.

Dealing with the properties seriatim we find,—

1. That Mr. Albert Askew holds under a lease to his late father, William Askew, which lease has still four years and a half to run. The Section No. 35, containing 50 acres, is all flat land. It is bounded on the road side by the main drain, which is in good order and has a considerable fall. The land is protected from overflow from the main drain by a heavy bank. The fence on top of this bank is almost entirely decayed, but the bank and ditch together form a good boundary. The other fences on this section are quick hedges, mostly overgrown and kept in moderate order only. Some of the division fences, also, are but in moderate order, and the gate is out of repair. Of the land, about 7 acres are in hops, 3 acres in various kinds of fruit, 6 acres in oats, and the remainder in grass. The buildings consist of old division of house, containing four rooms, to which the tenant added four other rooms, and sundry sheds erected by the tenant, who stated that he had spent £162 on buildings, and had put up the wash-house himself. There is no insurance on the buildings. The whole of the land appears to have originally been covered by bush, but it has been cleared for many years, and most of it has been stumped. There are 18 acres not stumped, and there are 2 acres in hollow, but the land is covered with grass, though it could not be properly broken up unless the stumps were removed. The tenant paid £15 an acre for stumping the land whereon the hops are growing, while he cut the rushes himself. The whole of the land is first class, and very suitable for dairy purposes, though some of the grass is becoming exhausted, and would be greatly improved by being ploughed and resown, which could not be done without clearing the remaining stumps. Mr. Askew is a very intelligent and reasonable man. He says that the rent is fair, and practically admits that he cannot expect to receive the value of past improvements; but he is anxious to build an addition to his house, and a hop-kiln, and to stump the land, and would, we think, do so if he could be allowed a fair value for what these improvements might be worth at the end of his term.

2. Charles Jenkins is the tenant of Section No. 36, next on the north to that of Mr. Askew. The land is of very similar character to that held by Mr. Askew, and the fences and drains are practically in a similar condition. There are some rushes on both this and Mr. Askew's land. Mr. Jenkins has no buildings on his section. The whole is clean and subdivided into various paddocks, and about half is stumped, all being in grass except about 2 acres in hops, which cost £10 an acre to stump. The hops do not appear to be in very good condition. The property has been in possession of Mr. Jenkins's family for about thirty years, and they have done all the ditching, fencing, &c. Mr. Jenkins stated that the land would carry from thirty to thirty-five head of cattle all the year round. He asserts that as a grazing-farm for fattening cattle alone it would be impossible to make a living out of it. He says it is of value to him as a fattening-ground in addition to his other property. He expressed himself satisfied with his lease, but thought he paid plenty. He thought he should be paid for past improvements, adding that others renting similar land pay less rent and get value for improvements.

3. Hamilton's executors hold the lease of Section No. 40, which is on the opposite side of the road to Askew's section, and is occupied by Mr. Boyes. Alongside and on the south of the section runs the main drain, which on crossing the road turns at right angles, and bounds Askew's and Jenkins's holdings. The whole of this section, excepting about an acre on the north-west corner, is perfectly flat and of excellent quality, that part nearest the road, however, being somewhat wet and rushy, and, no doubt, frequently covered by water in flood-time. Boyes has held the land for about thirty years, and states that all the improvements have been done by him. The buildings consist of a house of seven rooms, one cottage of a single room, byres, cart-shed, &c. There is no kiln on the ground. Ten acres are in hops, about 9 acres in small and large fruit. One paddock was shut up for hay. In addition to the main drain there is another smaller drain going completely through the property, which Boyes says cost him about £116 to construct. The fences and farm generally appear to be in fair order, but the fruit, both small and large, has not proved a very payable crop. The raspberry-canoe and currant-bushes have been attacked by grubs, while the prices obtained have not been remunerative. Boyes himself admitted that of all his labours and improvements during the past thirty years not one-half was now useful. He would like to build a hop-kiln, but says it is impossible to do so under the present tenure. He says he generally milks ten or twelve cows; he could not carry more. His neighbour only paid 12s. an acre for his land, and had all improvements.

4. Edward Wratten holds Sections 38, 39, and 49, lying next to the north of Hamilton's. Of this land about 60 acres are flat, the remainder consisting of steep hills, the latter being partly covered with bush, partly in fern, and partly in grass, and is now running sixty ewes with lambs. The flat land is of excellent quality, surrounded and subdivided by live fences, which are for the most part in good order; there are also some wire fences. The fences on this section generally are in better condition than those on the sections previously referred to. Wratten informed us that he gave Bisley Brothers £500 for the goodwill of the lease upon the understanding, as he says, that he was to have a renewal for fourteen years on condition that 3 acres were planted in hops, a hop-kiln built, and the house roofed with iron. These conditions he considers he has satisfied by putting in 3 acres additional of fruit-trees instead of hops, and, according to lease obtained, building a barn at a cost of £35, and two small cottages, instead of a kiln, and partly roofing the house with iron. Of the flat land 15 acres are in fruit, 4 acres in crop (oats), 2 in young hops, and 39 in grass. In addition to the sheep he feeds twenty head of cattle, including twelve cows, and 6 horses, including three brood-mares. Wratten is a quiet and respectable man, evidently a hard worker, and he has trusted to the proceeds from his fruit to pay for his outlay and rent. So far, for his fruit which was picked last year he has received in all 1½d. per pound, and the total receipts have not done more than pay for the cost of cultivating and picking. The cost of picking alone was ½d. per pound. It seems clear, therefore, that for the past year his farm cannot have paid, yet he considers the rent fair and does not want to give the lease up, nor does he make special claims for improvements, though he says he has laid out £150 in various directions. The house contains seven rooms, and is insured for £150. The sheds are of considerable size. The land is generally well drained, and is not troubled by flood-water. A butter-factory, &c., has been erected on a part of the property, for which he receives a rental of £5 per annum. He only milks about six cows now for want of labour. He now has to pay £10 for rates instead of £5. The garden round his house was much neglected.

5. T. Macmahon: This property, containing 25 acres, consists of a narrow strip along steep hills. The land is half covered with bush, and half is in grass. It lies back from the road. Mr. Macmahon said that the land was carrying twenty-five sheep. He was keeping the bush for scenic purposes.

Upon considering the whole matter, after having seen the properties and heard the tenants, your committee has come to the following conclusions:—

(1.) That various substantial improvements have been effected by the several tenants during their terms of occupation. The permanent improvements we refer to include drains, buildings, stumping, fencing, &c., and we do not include as permanent improvements the planting and cultivation of various forms of produce which they may have chosen.

(2.) There is in the district a common system of leasing lands under which the tenant is given the right to the value of the permanent improvements at the end of his term.

(3.) The rents for College lands at Riwaka have been fairly estimated at the current value of the land at the time of granting the leases or their extension.

(4.) The tenants have frequently, in order to obtain a better return from their land, effected greater improvements than they probably would have done had they rigidly considered the cost under their existing tenures, and they are more or less incensed by the comparison of their position with that of their neighbours, the goodwills of whose holdings are worth very considerable sums.

(5.) It would be most difficult, if not impossible, to arrive at any present estimate of the value of the permanent improvements effected by the present tenants, and, even were it possible to do so, your committee is clearly of opinion that it would be altogether inexpedient, if not positively unlawful, to attempt to go back upon existing bargains in order to make a compassionate allowance in respect thereof.

(6.) Your committee considers, however, that, for the sake of encouraging tenants to effect improvements, without which the lands cannot be got into a condition from which they would give the best return, it would be desirable to make the following offer to each tenant: That should he wish to effect any permanent improvement, upon receiving the consent of the Governors to same, and satisfying them as to the prime cost, he will be allowed at the expiry of his lease the then value of any such improvements, such value to be arrived at, if necessary, by arbitration. Your committee believes that if this position were properly explained each tenant would be satisfied, and would gladly welcome the change.

(7.) As to insurance, there appears to be no provision in the leases, and your committee thinks it necessary and proper that arrangements should be made with each tenant whereby buildings should be fully insured.

(8.) Your committee finds that the county rate has been materially increased of late, and as the valuation of the land affects the tenants this should be looked into.

CHARLES T. FELL.
THOMAS HENRY BANNEHR.
PHILIP BEST.

GENTLEMEN,—

Matapu, Taranaki, 27th May, 1905.

I beg to submit my opinions on the land question to you. Owing to continued illness, I am unable, as I should have liked, to offer them in person with any explanations you might desire. I may say that they are the result of first-hand experience. You will notice the papers are in two batches—Nos. 1 and 2 of each—of which I enclose two copies, so that the Chairman may have one at hand while the other is available as required.

No. 1 is the same as I sent to the Land Board Conference held in Wellington on the 1st December, 1904, with the exception of two alterations—viz., an addition under the heading of

“Ballot System,” and under the heading of “Residence” a few lines struck out. No. 2 has been written since that time. Hoping the suggestions may prove of some benefit and assistance to your good work,—I am, &c.,

JOHN HESLOP.

The Chairman and Members of the Land Commission.

No. 1.

CONSTITUTION OF LAND BOARDS.

Contrary to opinions held by some, I consider that members of Land Boards should be appointed as at present, by the Government solely, as the land policy is the Government's, and it is responsible for the administration. Members of Land Boards should be broad-minded men, with a good and sympathetic knowledge of all the conditions under which settlers have to work and live, and having intimate acquaintance with the Crown lands of their district and their requirements.

In my opinion, Land Boards should be carefully constituted, should be given large discretionary powers enabling them to deal with various cases on their merits, even to the extent of rent-reduction, and subject to the consent of the Minister of Lands only.

I have long observed that the arbitrary enforcement all round of the Land Acts' provisions has a most unequal and crushing effect on prosperous settlement in certain cases, due solely to the unequal primary conditions of such things as climate, land-configuration, location, personal circumstances, &c., and I see no way of adequately dealing with the matter except by giving the Land Boards greater and more extended powers.

LAND-TENURES.

I consider that existing land-tenures could stand considerable alteration in the interests of the individuals and State alike. The following are my suggestions:—

(a.) That the lease-in-perpetuity tenure, except under the Land for Settlements Act, should be amended so as to give tenants the same privilege to exchange tenure as that held under the occupation-with-right-of-purchase tenure (subsection (3), clause 152, “Land Act, 1892”), on the condition that the occupier under the former tenure pay the 1 per cent. difference between the two rates of interest as rent from the date of the original occupation of the land. Owing to the conditions disassociable from leasehold in perpetuity, such as the overlordship of the proprietor even in the matter of the willing of the tenant's interests, as well as the small borrowing-power of the tenure, together with a sense of insecurity caused by the agitations of so-called land-reformers in such proposals as the “Fair Rent Bill,” there is very great discontent and unrest among settlers under this tenure. The latter have found the tenure other than what they were originally led to believe, and in the case of these unimproved lands their interests exceed so hugely in value those of the proprietor (*i.e.*, the State) that the position is anomalous, and deserving of rectification in the manner I have suggested. I uphold the terms I have indicated for rectification in distinct opposition of those who contend that the tenant so treated would be given an unearned increment. In my opinion, there is no such thing in the case of the settler on the bush and swamp lands under the Act of 1892. He has had to pay rent on the unproductive areas of the land from the date of occupation, has suffered large losses in the way of bad burns, the destruction of fences and grass by fire and landslips, stock lost or killed by accident, never to speak of the deprivations from a social and educative point of view, as well as his loss of participation in the benefits of State institutions to which as colonist he contributes, and which remoteness bars to a man and his family. These and many other things I earnestly contend, if taken proper count of, would leave the State in financial and moral debt to the pioneer settler, and he under the lease-in-perpetuity tenure should be permitted, if he chooses, to enjoy the same privileges and benefits for the same price as his fellow-settler of the occupation-with-right-of-purchase tenure, who, better advised, and perhaps wealthier, started by providing for the right to purchase the freehold.

With tenants under the Land for Settlements Act the case is entirely different. There the interests of the proprietors are and will always be in large excess of those of the tenant. The land has been purchased for cash, and is leased in a state of high improvement, usually capable of immediate returns to the tenant, mostly through the dairy industry; all the advantages of civilised life are usually at hand, and the worst disabilities and losses of the pioneer life conspicuous by their absence. Besides, lands under this Act are generally acquired under pressure of the local public, and do not require the same incentive for occupation as the remote and unimproved lands of the Crown.

(b.) That under the occupation-with-right-of-purchase tenure provision should be made whereby the occupier may surrender his tenancy if he desire, the same as under the lease-in-perpetuity tenure.

(c.) That in the case of the lands disposed of for cash a proportionate amount, equivalent to the “thirds” of Land Fund in the case of leasehold, should be expended on the roads giving access to the land from which the money is derived.

(d.) That as regards the reintroduction of the homestead privileges it may be found advisable, under certain conditions of quality and location, to place some lands under this tenure.

(e.) In my opinion, the optional system in the Land Act of 1892 should apply to all bush, swamp, and uncultivated Crown lands, and in the case of mineral areas provision for resumption by the State on equitable terms should be made.

(f.) That no transfer of interest in any lease should be granted inside three years from the date of original occupation.

RESIDENTIAL CONDITIONS.

I consider the residential conditions of the Land Act of 1892 not in the interest of the State or occupier. In my opinion, residence should in no case be compulsory until there is a fair

summer cart-road to the section. In some instances, from various causes and at the discretion of the Land Board, it should be dispensed with altogether—*e.g.*, in the case of rough lands having no adequate homestead-site, &c., double improvements on the said rough lands and the residence of an employée there should be sufficient for the tenant's exemption from residence, subject to area-limit.

It is desirable to have all classes represented in land-settlement—the richer providing very acceptable employment for the poorer—and there are many rough lands capable of being made productive in the above manner which it would be madness in a poor man to occupy. In all these matters, in the interests of prosperous settlement, Land Boards should have large powers.

THE BALLOT SYSTEM.

While acknowledging the many disadvantages of the present system, I consider there is absolutely no better substitute for it, and the remedy is to be found rather in improving it.

This can be done by the examination of intending applicants on the part of the Land Board, as in the case of those under the Land for Settlements Act, when the purely speculative and otherwise unsuitable class would be restrained from monopolizing the ballot.

I am of opinion that the present system cannot well be improved on, with the exception of the modification that applicants who have never held Crown lands should have preference over others, and more especially over those who have sold their interest in Crown lands formerly held by them. I am aware that in this there is a modification of views recently held by me, but I think it after all a necessary change, and, granted discretionary powers to Land Boards, there should be little difficulty under examination of determining who ought to be eligible for the ballot and who ought not.

LANDS LOADED FOR ROADS.

I am unable to give the information sought, which no doubt is available from the records of the Roads Department; but in a great many instances the loading has been quite inadequate, from the nature of the country, to provide roads, and has been spent in making and keeping open 6 ft. tracks, which rapidly degenerate into narrower or more dangerous ones. Failing, then, a grant from Government, the settlers have to find interest for a loan with which to form a summer cart-road, and they may thus complain with some degree of truth that no road to their holding has been provided, though the land was loaded for same.

The whole question of roading the Crown lands is perhaps one of the most vital in the interests of successful settlement, and requires early and most careful revision.

BORROWING-DISADVANTAGES OF CROWN TENANTS.

Latterly the operations of the Advances to Settlers Office seem to have been largely curtailed, it is alleged through lack of funds. This has had the effect of throwing the impecunious class of Crown tenants into the hands of the money-lenders at high rates of interest. Especially is this with tenants under the lease-in-perpetuity tenure, who from the nature of their security fare worse in the matter of high interest on a restricted advance, having usually also to mortgage their stock. It is a matter of common report that in many cases the rate of interest on these loans is 8 to 10 per cent., which has an absolutely ruinous result.

With regard to valuation of lease-in-perpetuity holdings for Advances to Settlers purposes, I consider that recognition of more than merely the lessees' improvements should be made. Surely the goodwill of a 999-years lease is worth something. In my opinion, a valuation on the basis of selling-value of the lessee's improvements, together with his goodwill in his lease, should be made, and an advance up to three-fifths of that amount granted. At present advances do not represent more than one-half the value of improvements effected, and often not that, which makes the Advances to Settlers Office of little use to lease-in-perpetuity leaseholders.

CONDITION AND POSITION OF CROWN TENANTS.

Speaking for the Taranaki Land District, I consider there is very wide variation of the above. In some instances where the occupier has been possessed of adequate capital and sufficient experience, progress has been steady and satisfactory, and with the revival of the sheep industry, in which this class mostly engage, the prospect is hopeful where the land is good and there is reasonable access to it.

On the other hand, there are a large number of small tenants on Crown lands who have an extremely hard struggle to make ends meet. These are mostly engaged in dairying to a certain extent and the grazing of a few young cattle, the revenues from which at present are restricted owing to lower prices and the roughness and remoteness of their holdings.

When the nature and conditions of the Taranaki back country are considered, the necessity for giving every possible help and encouragement to its struggling settlers will be only too apparent, and every case of misfortune or undue hardship should have the careful consideration of a Land Board endowed with large remedial powers.

OPENING AND ROADING NEW BLOCKS OF LAND.

In doing this I consider the first operation should be the laying-off of the best road-line obtainable as near the centre of the block as practicable. Then, in rough country the survey of the sections should be proceeded with, boundaries being only on road-lines, ridges, and rivers, where the latter are good enough to fence in cattle.

On surveyed road-lines, where practicable, an average width in all of 5 chains of bush should be felled, burnt, and grassed, allowing wind and sun to reach the track and keep it dry. The bridging of streams should then proceed, together with the formation of the bridle-track 6 ft. wide in the solid. This would leave some grass frontage to each section, giving place to build a

hut and keep a horse, besides allowing intending settlers a better view of the land to be allotted.

At present the selection of land is more or less a leap in the dark. The cost of the foreign work would, of course, be added to the price of the section.

The formation of cart-roads could be done after allotment, giving an opportunity to those settlers who desire work to get it, residence on the land not being compulsory before these cart-roads are formed, and in any case not earlier than four years.

I am quite aware that up till now circumstances have made it impossible for a policy of this kind to be carried out; but at the earliest possible moment it should be begun and persevered with, and I feel convinced that its results would be satisfactory.

JOHN HESLOP.

No. 2.

ALLEGED UNEARNED INCREMENT.

In the course of things which have led to the appointment of this Royal Commission there have been many references, chiefly by townspeople, to what has been called the "unearned increment" in rural land-values, and a strong disposition exists on the part of urban dwellers to secure from the settler for State revenue part, if not the whole, of what they term "unearned increment."

It has often struck me as curious that so few settlers trouble to adequately present their side of the case to the public, and, allowing for the usual apathy of the rural classes to politics and political economy, I can only account for their silence by their contempt for the hollow arguments of their opponents, and their conviction that the community as a whole takes too sensible a view of things to be long misled by casuistry. But the opportunity for the ventilation of these matters being now created, it is well to set forth the bearings of the so-called "unearned increment" question.

If such a thing exists at all, I am of opinion it is to be found almost exclusively in urban centres. Business enterprises and property-values in towns are directly created by increase of population, not only for the towns themselves, but of the country as well, and the more prosperous the country settler the greater the benefit to commercial concerns, and, as a consequence, to urban property. Then, there are people who retire to the neighbourhood of the town, some of them farmers who have acquired small settled incomes, who go to swell urban populations and values. This can hardly be said to apply to rural districts, their values having an origin entirely different, being affected almost exclusively by demand for land due to what can be made from the land, and this is determined in this colony by markets oversea for our wool, mutton, beef, dairy-produce, &c., so that, if any one is due a share in the sale value of New Zealand rural land, it is the rural population of Great Britain, whom our success as producers has almost ruined. If there have been fabulous prices paid for rural land in some instances, these will be found due to temporary inflations, traceable in almost all instances to the swelling success of some industry, or to speculative mania and the financial manipulations of the numerous horde of land agents, originating again, let me remark, from the towns. But apart from this, there are in Taranaki, for instance, sound reasons for much of the enhanced land-value, running frequently from 3 to 4 per cent. over original values. The growth of the dairy industry, due to oversea demands, the adaptability of the land and climate along the coast and around Mount Egmont, the energy of the large population of mostly small freeholders, and the metalling of roads everywhere—a requirement of the industry for which these settlers have become responsible through the Loans to Local Bodies Act—all these things, added to the possibility of a regular monthly income and the utilisation of family labour, have raised values to fairly well what they are, and I fail to see where the credit for enhanced values can be claimed by any others than those engaged in the industry.

As I have stated, metalled roads alone have indisputably contributed to higher values, and I may instance that even such an arterial road as the one between Eltham and Opunake was metalled by loans raised by the settlers, though the road is used enormously by the travelling public, among whom, no doubt, are many of our would-be land-reformers, who view the farms from the pleasant comfort of their hired buggies and estimate the farmer's supposed unearned increment, forgetting the toil, the sweat, the hope deferred, the financial worry, the hard living and poor housing that have been gone through to make those farms and roads what they are to-day.

Then, turning to the swamp lands and the rough lands of the back country, suitable for sheep and young cattle only, one has merely to engage in the breaking-in of it to know how hardly earned everything that is got out of it is. A settler on one of those blocks under the Land Act of 1892, which is the system mostly in force here, has to pay rent on the total area of bush from the date of occupation. He can only bring in a certain portion of the land each year, and has to suffer large losses through bad burns, destruction of fences and grass by fires and landslips, embracing resowing; then the long list of stock lost and killed by accident, never to speak of lost time and the tear-and-wear to man, beast, and gear through the rough condition of the country and its roads, or tracks rather. The hope of things improving alone encourages him to hold on and persevere through the years of what his town friends call his exile in the bush, years in which, though a citizen of the country and a subject of the King, he shares in no social benefits, nor participates in the advantages of the many public institutions which are at hand for others. Surely his lot is worthy of consideration, and his grit and energy of any backing-up a Government can give them in the way of the option of freehold at original values level with right-of-purchase ones around him; better roads, if possible, and the greatest amount of freedom from official restrictions consistent with conserving the State's relatively small interest in these lands when improved, for these settlers are, after all, coming valuable producers adding their quota to the colony's prosperity, and, were need to arise, would be the first looked to for its defence.

The fact is, in these rough bush and swamp lands no market value yet reached has ever compensated for the outlay properly reckoned, and, in my humble opinion, with few exceptions, the

State is left a financial as well as a moral debtor to the pioneer settler. Could our city land-reforming agitators be only induced to take up a section and become one of that class, then agitation would be turned in the direction of obtaining a bonus for bringing in the waste lands of the Crown; and yet at the present moment one of the Labour League's platform-planks is periodical revaluation of all Crown lands held in lease, this not to apply to existing leases until the death of the present leaseholder or the transfer of the lease to another, as the case may be. Now, this means that the 999-years lease is only for a man's lifetime, which might end at any moment, when his family's interest would also die, just perhaps as by their combined efforts they were getting on a sound footing; so that receiving value, an uncertain thing, and not cost for their improvements, possibly mortgaged, they would be turned out of their home to face revaluation, or, I suppose, the congenial prospect of another lease of unimproved land under the same conditions. I consider no more scandalous proposal was ever submitted in a professedly moral community.

Of course, it is obvious that in some instances, such as the expenditure of State money on the construction of railways, there is an enhanced value of adjacent lands, in which at first sight it might be claimed the community at large should directly share. But I question the wisdom of even making such a distinction, as ordinary land taxation deals with this. Railways in this colony are laid down in arbitrary routes to suit our national development, and are not wholly indispensable in a well-roaded, stock-raising district, so that, in my opinion, the community's share should be in their earning-power which should justify their existence, and we should have to turn our eyes to our large cities and towns for direct benefit to their land-values, in numberless cases greatly exceeding 300 or 400 per cent., by the ostensibly indispensable expenditure of State funds—a betterment in which, if anywhere, the colony's public has a direct claim. Why, then, should the ultimately successful leasehold settler be deprived of part of his increased yet modest wealth by a special State claim while even his freehold neighbour is exempt? Let every one in the country pay a fair share of taxation according to his wealth, but let there be no special class-taxation, especially of those who are taking up the rough broken Crown lands which are useless until brought into production, at the expense and hardship of the settler, of whom the town dweller takes little thought and has no conception. The fact is that of recent years it has been the fashion with a certain section of politicians to single out the settler and Crown tenant as a fit subject for fresh taxation, for in reality this is what the talk of "unearned increment" in rural lands means. Population in Great Britain has increased continually, and land in cities risen to enormously enhanced values, while the value of rural lands has largely decreased. If this should come to pass in the colony, would our land-agitators agree to the State making good to owners and occupiers the decrease in the value of farming-lands?

FREEHOLD OPTION TO CROWN TENANTS.

I am entirely in favour of all Crown tenants having the option of freehold, except land under the Land for Settlements Act, at the value of the land at date of original occupation, provided the difference of 1 per cent. in back rents as against the occupation-with-right-of-purchase tenure is made good by the purchaser. When the unimproved value of a Crown leasehold in which there is no right of purchase exceeds the original value, the tenant under present law becomes liable for land-tax on the increased value, thus admitting that the increase belongs to the tenant, or else he is being taxed unjustly. It also shows that the interest of the State remains at the original value on which it receives 4 per cent. for 999 years as rent, unless there is a change in legislation as proposed in such measures as the Fair Rent Bill, which our city land-reformers have in view, one of whom advocated that the old-age pensions ought to be provided for by an increased tax on lands. As these city land-reformers are increasing in numbers, and probably will increase still more, as city population increases more rapidly than that of the country, their power in Parliament will increase accordingly, and in this lies the danger to the Crown tenant in the uncertainty of the value of his 999-years lease, a danger so apparent as to be the cause of much of the dissatisfaction and unrest now existing.

For other reasons the lease in perpetuity has been found unsatisfactory, such as in financing, where even the Government Advances to Settlers Office recognises and proclaims the inferiority of this tenure as security by its restricted advances. If land is placed on the market now under the optional system, no one with his wits about him ever thinks of adopting the lease-in-perpetuity tenure, under which on unimproved land with so many drawbacks his improvements would so soon overwhelm in value the relatively small interest of the State in the land. Considering everything, I strongly urge that lease-in-perpetuity tenants be allowed the same privilege of exchange (by paying the 1 per cent. difference in rent from date of occupation) as the occupation-with-right-of-purchase tenants have under subsection (3), clause 152, of the Land Act of 1892. By granting this the State would be a gainer not only to the extent of the 1 per cent., but when the freehold is obtained the full unimproved value would become liable to land-tax, so that the State would receive the value of the land and retain the right to tax the same. It would have the effect of giving a feeling of greater security and contentment to the struggling settlers, and would be an incentive to first-class and lasting improvements on their holdings.

The argument that the granting of the option of freehold would throw lease-in-perpetuity tenants into the hands of money-lenders I consider beside the question. As it is, these tenants are obliged to deal with money-lenders, and under a penalty by reason of the nature of their tenure that does not obtain in the case of their fellow-settlers with the occupation-with-right-of-purchase tenure. And if there is a certain amount of sentiment in the settler's desire for the freehold, I would respect it; and if the option of the freehold will make the settlers more contented with their lot and industrious in founding their homes on the land and bringing the latter into productivity, I would have no hesitation in granting it.

TENURE.

I strongly advocate the occupation-with-right-of-purchase tenure as being infinitely in advance of the deferred-payment or any other, and in granting the option of freehold to the Crown lease-in-perpetuity tenants I can think of no better method than the exchange, under the conditions stated above, to the occupation-with-right-of-purchase tenure, and accepting as fulfilled for the latter tenure all the obscured conditions of the former, with the exception of the 1 per cent. difference in back rent to be met. In my opinion, this would be infinitely better for the State, the tenant, and money-market than granting freehold at once on application or under the deferred-payment system, where money has to be found at once. Without going into self-evident detail, I think the great advantages of the occupation-with-right-of-purchase tenure over any other should be apparent to any one.

VALUATION OF UNIMPROVED CROWN LANDS.

In the case of rough, broken bush lands, where it is not practicable to make a fair valuation of the unimproved value, I would advocate that a temporary value within certain limits be placed on the land, liable to readjustment within five years. In many cases it has been found that too high a value has been placed on the land, which has turned out much more rough than was anticipated, and *vice versa*. In such cases, revaluation when the bush is down would readjust matters. In this rough, gorgy country it is almost impossible to see what the country really is until the bush is cleared, and it is very deceptive in many instances, concealing gorges and gullies, which make this rough country so very expensive, owing to the loss of stock in them and in the heavy landslips that occur on their sides.

JOHN HESLOP.

SIRS,—

Kinohaku, Kawhia, 1st June, 1905.

We, the undersigned settlers, respectfully request the Commission to accept the following statement as evidence, owing to shortage of time upon the part of the Commission in not taking all available evidence at their sitting in Kinohaku:—

We are all anxious to obtain the right to purchase our holdings, for the following reasons:—

That we were not allowed the option originally, and that it is concomitant to the welfare of this district it should have more security of tenure.

Construction of Land Boards.—That the suggestion of Mr. McCardle should be given effect to—that is, there should be seven instead of four members, the settlers to choose and elect by ballot their members.

Advances to Settlers Office.—That the Advance Office should be placed upon a more business-like and satisfactory method in dealing with applications promptly, so as the applicant can utilise to his advantage the rise and fall periodically taking place in the stock and commerce markets.

Roads.—We consider that the Government have shockingly neglected this district in regard to stock-roads and general communications. It is a fact that at present we are completely isolated in regard to roads and telephone communication, and we respectfully request the Commissioners to endeavour to rectify this, what the settlers strongly feel to be shocking neglect upon the part of the Government to fulfil their obligations amounting to a gross injustice. We strongly feel the injustice of being loaded for roading and paying interest thereon, while the majority of settlers are receiving no benefit from it whatever.

[Here follow signatures.]

We beg the Commissioners to give this earnest consideration, as we settlers feel very strongly upon the subject-matter of this petition.

SIRS,—

Kinohaku, 1st June, 1905.

The undersigned selectors of the Kinohaku Special Settlement wish to point out that owing to the very limited time that the Commission sat in Kinohaku we were unable to give evidence. We wish, therefore, to submit the following evidence:—

The Kinohaku Special Settlement Block has been open for over two years, and not one penny has yet been spent upon roads giving access to it. As the land was loaded, the fact that roads have not been made is a breach of faith by the Government.

Tenure.—We also pray that the present lease-in-perpetuity tenure may be altered to occupation with right of purchase.

[Here follow signatures.]

The Royal Land Commission, Kawhia.

GENTLEMEN,—

Awhanga, Great Barrier, 5th June, 1905.

There is a block of land, about 19,000 acres, lying idle here. I think it is known as the Copper-mine Company's land, and most of it is said to be good land. I know one farmer that has 600 acres out of the same block; he has held his farm close on thirty years, and has brought his family up to men and women, and I do not think that he and his boys make much less than £300 per year off the 600 acres, so if all the other portion of the block yielded at the same ratio, we settlers would be better off. We could make dray-roads, and get our produce to a market without having to take it on a pack-horse to the steamer. What we want at the Barrier is more settlers, and then, maybe, the Northern Steamship Company would charge less for freight; the charges are

now—passengers, £1 2s. 6d. return, and find your own tucker; horses, £1; cattle, £1; store cattle, 12s. 6d; sheep, 1s. each; rams, 5s.; goods, 15s. per ton; small parcels, 1s.; small pigs, 1s. 6d.; so if we send any produce to Auckland worth, say, 4s. or 5s. per hundredweight, there is not much left for us, to say nothing of the pack-horse work, commission, and wharfage. Could not the holder of the above land be induced to cut it up into farms, say, of 1,000 acres each. I know several young men who would take some if it could be had. Two of my sons have left the island because they could not get any good land; they are both married men. I hold 850 acres in the Harataunga district, and I have to go over ten miles if I have to send any produce by the steamer to Auckland. The steamer comes only twice a year to the settlers that live on the east side of the island, and we have only pack-tracks to work on. We want dray-roads if we are to compete with other parts of New Zealand.

My property is freehold. I think leasing with right to purchase is a good way. Some of my sons hold leases.

The Land Commissioners.

Yours, &c.,

WM. ALCOCK.

SIR,—

Ohakune, 5th June, 1905.

At a meeting of Crown tenants, held on the 27th May, Messrs. Kerr, Robinson, and myself were appointed as delegates to wait on the Commission and give evidence, but, as this district was cut out of your programme, it was arranged that I should go to Taihape last Saturday, and I certainly should have come but for the weather and the roads being impassable, therefore we are sending you the enclosed petition, which was prepared for me to take as a proof of my representing this portion of the district.

You will see by enclosed newspaper-clipping that we are unanimously in favour of the lease with right of purchase being granted, it being optional as the tenant so desires, and that it be granted to all Crown tenants. We consider it a gross injustice that this county, which is composed solely of settlers holding land under different Crown tenures, should not be given a chance to make known their wishes about freehold tenure, when other places hardly affected by the question were privileged with a sitting. Trusting that you will accept this as evidence of the mind of the settlers, who very much object to the idea of revaluation, considering that any value the land may bear above the original upset price has been put there by the occupier of such land.

The Chairman, Land Commission.

Yours, &c.,

W. F. ELLIS.

Ohakune, 31st May, 1905.

WE, the undersigned Crown tenants, being disappointed at not having the opportunity of giving evidence before the Royal Commission *re* the optional freehold, hereby appoint W. F. Ellis, and authorise him to represent us and give evidence on our behalf.

[Here follow signatures.]

THE LAND QUESTION DISCUSSED BY OHAKUNE SETTLERS.

[From Our Own Correspondent.]

Ohakune, 29th May.

On Saturday, the 27th instant, a well-attended meeting of Crown tenants was held in the Ohakune Schoolroom to discuss the question of land-tenure, freehold *versus* lease in perpetuity.

Mr. Ellis was voted to the chair, and explained the reason for calling a meeting, and stated that he had endeavoured to find out if the Land Commission would sit in Raetihi to take evidence, and on what date, but could gain no information. The chairman strongly advocated lease with right of purchase, and gave some reasons in favour of freehold—viz., the difficulty of financing lease in perpetuity and the danger of revaluation, and the advantage of right of purchase in selling a property, all of which reasons were freely discussed and unanimously upheld.

Mr. Robinson pointed out the injustice done to original settlers in association blocks by allowing forfeited sections to be taken up under the right of purchase, the original settler being bound to remain under the lease in perpetuity, thus giving the newcomer an unfair advantage.

It was proposed by Mr. Crawford and seconded by Mr. Kerr, That this meeting desires the option of the freehold. Carried unanimously.

Considerable discussion then followed on the insecurity of lease-in-perpetuity tenure, difficulty experienced, and the length of time taken to obtain transfers, also the disadvantages under which settlers in the farm-homestead associations labour, not being able to increase the size of their holdings. It was resolved, "That this meeting considers that any area under 200 acres in this district is far too small." The meeting disapproved of the way Land Boards are appointed, and considered they should be elected by the people. Great dissatisfaction was expressed at the manner in which the land laws are administered in this district. The general opinion and wish was that the freehold should be granted at the original upset price.

After appointing delegates to wait on the Royal Commission when sitting in Raetihi, the meeting terminated.

SIR,—

Tokaora, 8th June, 1905.

Having attended the Land Commission at Stratford and failed to obtain a hearing owing to having to return by the 6.40 train, I am putting in writing my experience of the leases in perpetuity, hoping they will be considered.

I took up my lease in August, 1903, being one of the last to be taken up. It comprises 89 acres, of which 10 acres are plantation, a dam covers 2½ acres, and a swamp cuts the place up very

badly. In the report it says the swamp is easily drained. I have put a drain up the centre with very poor results. The Commissioner, who came and looked over the place, saw how I have been and am handicapped by having to pay so much for waste land, and recommended that the plantation should be taken over by the Government, but the reply was, "The tenant must have known before he took the section," so I can get no help. I maintain that in taking up a section I have a right to expect that the value put on it by the man who valued it was a fair one, at which I could expect to make a living, and would compare reasonably with my neighbours. My neighbour has 50 acres, pays £1 3s. 10d. rent per acre, and carries the same number of cows as I do, who pay £1 2s. 11d. and have 89 acres.

I think that the Government valuers are to blame for much of the speculation in land, for if fair value was put on the different sections one would be no more valuable than another. This being a rather difficult matter it should, I think, be overcome by an amount of money being charged to the estate before being cut up, which would be available for the reduction of the rent of those sections which turn out a failure—this section of mine, for instance. Mr. Mackenzie said he saw the plantations were a very serious handicap. Mr. Simpson the same. Mr. Hislop, late member of the Land Board, the same. I am unable to make anything, and am unable to sell. It is only a question of time before I must forfeit, and lose all my improvements as well as my time, as this section is too highly valued. I pay really part of some one else's rent, as one man who has very little improvements on his land was offered £350 for his goodwill of 89 acres or thereabouts, but the Land Board would not transfer.

The swamp also is not only waste land until drained—which has already cost me £25—but so cuts up the farm that it is much more difficult to work, and it is well known that the land is much poorer for some distance each side of the swamp. I can only keep thirty cows on this place with the necessary horses—namely, two to work it. The rent comes to £104 per annum, which works out at £3 9s. per head before I can get anything for myself.

The Secretary, Land Commission.

I remain, &c.,
J. A. CORKERTON.

SIR,—

Alfredton, 6th June, 1905.

Being unable to attend the sitting of the Commission in Masterton, and being Crown tenants in the Pioneer Farm-homestead Association, we wish to say that we are perfectly satisfied with the leasehold, but think that settlers of these associations should have the option of increasing their holdings to 400, and in the far-back blocks to 600 acres.

Owing to the unmetalled roads it is impossible to go in for dairying, and the 200-acre sections into which the association's land is cut up are too small for sheep-farming.

As farmers, and putting the country before self-interest, we wish to most emphatically object to the freehold being given. The freehold land in this district is tending to get into too few hands, so the graduated land-tax should be increased as the only practical method to check this.

If the Government want to give anything away, give us metal for our roads, instead of the freehold, and a real benefit would be conferred on the settlers instead of an imaginary one. The real fact of the matter is that this freehold agitation is got up as a vote-catching bribe, to get the small farmers to cut the throat of the Government that put them on the land.

We are, &c.,
FOSTER PERCY.
LEONARD PERCY.

SIR,—

Waituna West, 10th June, 1905.

When your Commission sat in Feilding I made an effort, at considerable inconvenience to myself, to attend and give evidence, but owing to the shortness of time at your disposal and the number of witnesses, I, with others, was blocked out. On remarking to you at the close of the sitting on the distance I had come, &c., and then not getting a chance to speak, you were kind enough to promise that if I would forward my views to you at Wellington, in writing, they should be laid before and considered by your Commission, although not being sworn to they could not be admitted as evidence. I therefore submit them herewith. I am sorry to find that they cover so much paper, but I do not see how to shorten them without obscuring the points I wish to make. Thanking you for the opportunity of presenting them.

The Chairman of the Land Commission, Wellington.

I am, &c.,
JOSEPH GUYLER.

The Proposed Evidence of Joseph Guyler, Farmer, of Waituna West, Kiwitea County, farming 320 Acres Freehold, 120 Acres of which were formerly held on Lease with Right of Purchase.

1. *Land Boards*.—I only wish to state that I consider that a majority of the members should be landholders.

2. *Land-tenure*.—I am a freeholder by conviction, and had I control of the colony's land destiny that would be the only final tenure. As a step thereto I would deal with all Crown lands on the occupation-with-right-of-purchase principle, and on that method only. I would not sell any Crown lands for cash. No settler to be allowed to take up over 640 acres first-class or 2,000 acres second-class Crown land if not owning land at the time, and if owning land only such area as would bring up his total area to that amount; but, on the other hand, I would permit him to take up on behalf and in the name of each child (if he wished), but not in the name of his wife, a quarter of those areas.

In paying for land I advocate the principle of the present Advances to Settlers terms, 1 per cent. loading to pay off capital, but with £10 instead of £5 payments if able to pay off more at a time; but in no case would I issue the Crown grant under ten years, and necessary improvements, to prevent land-gambling. In order to enable town residents or others to take up land for future homes (and I wish to see every colonist a landowner), I would not insist on residence if double improvements were made, subletting to be subject to approval of Land Board.

All Crown tenants to have right of purchase as above; but, in the case of the 4-per-cent. men, in order to bring them into line with right of purchase, the extra 1 per cent., with compound interest thereon, from date of lease to time of alteration to be added to original capital value, and that to become the new capital value for a new lease as above.

3. *Pressure of Residence, &c.*—Here I will give an example of the case of a small settler well known to me; in fact, it is only a few weeks ago that he was complaining to me about his position. He is a leaseholder—holds 5 acres on thirty years' lease with right of renewal—no right of purchase—residence compulsory—section too small to make a living—situation not desirable—took it over as transfer thinking he had purchasing clause (his fault, not finding out)—in regular work at time, wanted a home and place convenient—out of work later, got nothing to do in neighbourhood. He values his interest at £200—not able to transfer as few willing to take it—those in position financially the Land Board would not accept, and those not he would not accept—could only get work at a distance, and so Board gave him six months' leave of absence—before five of them had passed the Board began worrying him about the expiry of his six months shortly—had to return or forfeit. He complains that he has no assured position, for if he died, or was killed accidentally, his wife and young family would be unable to get a living there and would have to leave, and they have no claim on the Government for that £200 if it should happen that no one wanted to take it over (a more than likely contingency, for, as stated, the situation is not a desirable one), and the same thing occurs at the end of the lease. Of course, he wishes the freehold, for then, in case he could not get work, he could easily let or sell it, and in case of his death his family would be assured of something, for the place would at least always be worth as much as adjoining farm lands. I suppose the Government interest was originally from £10 to £20. It seems to me a hard case.

Another point to which I would refer is the pressure of valuations. Land ought to be valued on its producing-powers, and not on its selling-value—real or imaginary. Land is only of use for what can be produced from it. I am a *single-taxer*, but that tax should be an income and not a land-tax. The land-taxer is too conservative; he fails to march with the times. Land-tax was right enough at one time; in fact, the land lightly bore pretty well all the taxes, but then it had all the privileges—nobility, franchise, public officer, everything. Now all have gone, and with them the land-tax should have gone too. Personally, I hold that the franchise should belong to the land. And here, where land can be got for a few pounds, no one unwilling to exercise the little self-denial requisite to obtain a bit should be entitled to a vote. The area required is immaterial— $\frac{1}{8}$ acre would do. Then his electoral right would be his Crown grant, which would enable him to enrol himself in any electorate in which he might happen to reside, independent of the situation of his land. My idea is that every colonist should have his stake in the country by owning some part of it, no matter how small. It would be a levelling-up—a certain fixed standard must be reached by every one wishing to take part in the Government of his country; but the present system, however fair it may seem on paper, is one of levelling down. It brings down the best of the colony to the level of the worst. Having to make an effort to obtain it on my plan, a vote would be valued, and the initial step upward having been taken more would be likely to follow.

4. *Effects of Climate, &c.*—Under this head it would probably be necessary to make some alterations in the areas previously mentioned, exceptional cases requiring special remedies.

5. *Homestead Privileges, &c.*—My plan (2) would do away with the necessity for any other tenure.

6. *Ballot.*—Approve of it; but some special concessions should be allowed to unsuccessful candidates in a former one.

7. *Loading for Roads, &c.*—Do not believe in it. The loading is done all right, but the settler gets practically nothing for the money. It is uselessly frittered away. In all existing cases the money should be handed over intact to the local bodies, free of restrictions, but strictly earmarked for its special purpose. The Government ought not to expect to get revenue out of its waste lands. If necessary the full value of land should be spent on the roading, and balance might then go to the revenue, but if not sufficient the settlers to specially rate themselves for the remainder. The advantage to the revenue would come later. Then, again, local rating on capital value is unjust, for of two sections of equal size and fertility the one best farmed pays the most. An idle section is no loss to the community as a whole (there being no "unearned increment"), yet it is a loss to the adjoining properties as regards local rating, hence the necessity for a change.

8. *Advances to Settlers.*—Valuation fees should be returned, and that promptly, if no loan is granted.

9. *Condition and Position of Occupiers.*—Freehold is best, both for the colony and the settler. As regards the colony, its funds are not tied up in real estate as in leasehold, and its lands better farmed by more contented settlers. The settlers are not worried with residence, cropping, and other regulations, and red-tape, and being independent they will always do better for themselves. The threats of the Labour Councils of revaluations have shaken all faith in leasehold, and it will be found that settlers will never have the same confidence in it again. Several of my own friends took up land under the 999-years system, and at the time they were quite enthusiastic over it, telling me it was better than my freehold, and so at first blush it seemed. They had all their capital to work on instead of sinking part in the fee-simple, but now, owing to their experience in the past and their fears for the future, they are freeholders to a man.

To my mind leasehold has been boomed owing to a section of city dwellers getting a mistaken notion that the freeholder is getting something for nothing—something at their expense—and

that something is known at the present day as the "unearned increment." The various Press reports of evidence given before your Commission show that several witnesses stated that there was no unearned increment, but none of them proved it, and, as assertion is not proof, I will endeavour to supply the deficiency. To do so it is necessary to consider the value of money in the colony at different periods. After making all possible inquiries, including from editors of leading weekly papers through their correspondence columns, I find that at the present time money is worth from 5 to 5½ per cent. on average general mortgage. Some years ago 8 per cent., farther back 10 per cent. (which was the general rate for a considerable number of years), and still farther back 12 per cent. away to 15 per cent. as far as we need go; but as these higher rates were before my arrival in the colony, I have to take the word of others respecting them. Some old settlers even speak of 20 and 25 per cent., but as they must have been exceptional cases I ignore them. Taking everything into consideration, I find that the average rate for the past fifty or sixty years works out to a trifle over 10 per cent., and so I take 10 per cent. as the average.

For my example, I take the block of land with which I first became acquainted on my arrival in the colony twenty-six years ago. It had then been settled from twenty-five to thirty years, and was purchased in the first instance at 10s. per acre. It was then worth from £10 to £15 per acre, and was situated some ten miles from a town of some importance. Now, at 10 per cent. compound interest money doubles itself in about 7½ years. Therefore, in that time 10s. would amount to £1; to £2 in 14½ years; £4 in 22 years; £8 in 29½ years; £16 in 36½ years; £32 in 44 years; £64 in 51½ years; and £128 in 58½ years, which brings us to about the present time. So ten-shilling land then ought to be worth £128 now, without improvements. What improvements cost in those days. I have been unable to find out. Being open land in manuka, flax, and toi of A1 quality, it would require clearing, grassing, fencing, and some buildings. Whether improvements cost more or less than now I cannot say, but my own (sixteen years ago) cost 10s. per acre to grass, about £1 to fence, making £1 10s. per acre, which we will assume was the value in former times plus clearing and buildings. As sawn timber must have been expensive in those days—and they all had sawn-timber houses, &c.—I will allow 10s. for the buildings and clearing—probably a fair average, being no doubt too much on a large holding and too little on a small one, making a total of £2 per acre for improvements, which works out to £512 at the present time. Add £128, cost of land, and we get a total of £640, which would represent the value per acre to equal mortgage-rates—a most astounding sum, when we consider that the land to-day cannot be worth much over £30 per acre, if that. I ask, where is the unearned increment? The land is actually over £600 in debt. Why, had the land cost 1s. 6d. instead of 10s. there would be none, and yet scores of thoughtless people imagine a freehold is a perfect El Dorado. But it is merely want of thought. Take any land outside a town at any time, its original cost-price, cost of reasonable improvements at then current rates, and allow current mortgage rates on the amounts, and it will be found that the present selling-price is much lower.

Another instance—the property next my own taken up sixteen years ago. It works out to £10 10s. per acre, but the present lessee has the right of purchase in about eighteen months' time at £9. Add eighteen months' interest at 5 per cent. to £10 10s., and it amounts to £11 6s. Clearly there is no unearned increment there, and I maintain that rural lands have not, nor have ever had an unearned increment. What city lands may have I cannot say, having paid no attention to it.

Of course, money on loan might be lost; but many settlers lost their lands. Then, in the early days it was necessary to have the 10s.—no inconsiderable item then—be willing to invest it in land, and take the risks of so doing. In the ten-shilling block I instanced the settlers had to send their wives and families into town to be near the blockhouse, while they and their men slept nightly with rifles beside them in barricaded houses. I fancy that alone requires a fair amount of "unearned increment" to strike an equitable balance.

Again, freehold, like the sea-salt, is part of the Anglo-Saxon nature—freemen and freeholders our fathers were, and freemen and freeholders we shall remain until the glory of our race departs. Was it for a miserable leasehold we or our fathers broke up our homes and our home ties in Europe, and crossed the ocean to subdue the wilderness here? I say, "No, sir," the most entrancing leasehold ever invented would not have proved sufficiently magnetic.

Suppose the whole colony to become leasehold, what would be the position of her settlers? Serfs, sir, serfs. We have a standing object-lesson of that fact ever before us. There is one people on earth, great and mighty in numbers, and as industrious as any living—a nation that has been great and mighty in itself, great in literature, great in arts, and great in knowledge. To-day its farmers are all leaseholders (its lands are all nationalised), and their position—the most down-trodden and oppressed upon the face of the earth, afraid to resent any injury or insult from another nation. I refer to China. The cause? Leasehold. Leasehold has sapped all the manliness out of them, for they are cursed with the curse of officialdom. Is that the position we hope to see in our own colony; is that the kind of nation we are building up? But that is where the leasehold will ultimately bring us. According to the Press reports your Commission have proofs of it, for we read that some of the leaseholders were afraid to give evidence that they wished for the freehold. Afraid! that is it. Mind, it is the system, not the settler. I warrant no freeholder would be afraid to come forward and say so if he wished to change his freehold into a leasehold. In times of stress and danger, which may come even to our colony, is it to leaseholders such as these we should be willing to commit the defence of our hearths and homes? Nay, sir, nay. I would far sooner trust them to the care of the members of the Trades Councils, who, though mistaken regarding the land, are not afraid to state what they want.

10. *Large Estates.*—I see no fear from them. The Land for Settlements Act will prove the necessary check. At the same time I do not think they are forming to any extent. To a certain extent small holdings have a tendency to enlarge from economic reasons. A farmer requires a certain amount of plant for the working of his farm, and the plant which is required to work 100

acres will usually work 200. Therefore, if the 100-acre man can do so he acquires the 200. If he has 500 acres, with sheep, his plant, woolshed, yards, and dip, &c., will work 1,000 acres, and so he tries by enlarging his output to reduce the percentage of working-expenses.

Then, again, the large estates are not the "social pests" some would lead us to believe. The ideal settlement at the back of most minds seems to be a settler on every 100 acres. Suppose it possible to accomplish, it would ruin the country. It might answer if we could tow the colony near to England and there anchor it down, but here it would not. For generations to come we can only be an agricultural, pastoral, and mining people, bringing our substance from the soil, and exporting what we do not require for our own use. It is easy to talk of the colony supporting millions; but millions cannot be supported directly from the land only from manufactures, and we shall never be a great manufacturing country until the centre of population shifts from the Northern to the Southern Hemisphere. We are too far away, to say nothing of hostile tariffs, consequently we can do little more than manufacture for ourselves. Now, if the country were cut up solely into small holdings, the settlers would have to devote themselves entirely to the production of the best-paying article for the time being, be it butter, wool, corn, &c. Say butter was up: the colony would be one huge dairy-farm. In a few years butter would drop, and wool and mutton would be up. Dairying would have to go, cows be boiled down (there would be no buyers), and sheep procured from somewhere, and so on. The settler would be everlastingly chasing a market that as everlastingly eluded his grasp. He could not afford to mix his farming—it would not pay. Hence every few years there would be agricultural panics. (We must not look at, say, Denmark as an example, and say, what they can do we can. They resemble the small holder near a city—their market is at hand.) Now, the large estates regulate all that. The large holder keeps steadily on with his sheep and cattle, knowing that the markets will return to him, and so when the small settler wishes cattle the large one has them for sale. If the small holder wants sheep the large one can supply them, taking instead a fair percentage of the discarded cattle, and so steadying the market. In fact, the large estate serves much the same purpose as a lake. Heavy rains and melting snows turn the streams into torrents, which, if they run directly to the sea, flood the lowlands every time, but if a lake intervenes they merely raise its level a few inches or a foot, and so allow the water to pass off gradually without damage.

11. *Separate Occupation, &c.*—I am not sure that I understand the meaning of this term in your order of reference. If it refers to "one settler one section" I think I have previously said enough to indicate my views on the subject. Of course, a good deal depends upon its distance from a centre, and on what I have remarked about economy of working.

J. GUYLER.

SIR,—

Harimoana, near Whangamomona, 1st June, 1905.

I was at Whangamomona yesterday with the intention of giving evidence before the Land Commission, but had not an opportunity, owing to the number that were before me who were desirous of giving evidence. I had ten miles of bad roads, so had to leave early.

I own 212 acres occupation with right of purchase, and paid £500 cash for it; also about 230 acres lease in perpetuity, and paid £250 cash for that. I approve of the freehold, and would like to get the occupation with right of purchase for the lease-in-perpetuity section. Money-lenders do not care about lending on the lease in perpetuity, but do not mind the occupation with right of purchase. I would prefer to borrow from the Advances to Settlers, but that seems to be out of the question back here. Last winter, out of sixteen that applied for small loans who had good security, only three out of that number were granted small loans, so I had a small hope of borrowing from the Advances to Settlers Office. If ever I want to sell through sickness or other causes I would have more difficulty in selling the lease-in-perpetuity section than the occupation with right of purchase.

I came to this part of the district during the winter of 1902, selling out my farm at Te Roti, where I had been settled for about twenty years, and took up the above-mentioned land on the Whitianga Road. I liked the look of the locality, and two men were cutting timber for a bridge on the Pukeko Road so as to give me access to a building-site on the occupation-with-right-of-purchase section. Shortly after I paid the money and took up my permanent residence. Mr. Barron, Road Engineer for the district, told me that they had no money either for the bridge or tunnel. I made inquiries from the Roads Department various times, laying my case before them, and also communicated with the Minister for Public Works. He said that the case would be considered when they were preparing the parliamentary estimates. I got reply, as usual, to the effect that my application was declined.

Seeing that the Government would not make a bridge, I made one myself at a cost of £15, which enabled me to cart timber, bricks, &c., to build my house and sheds, which cost me £700. On the 6th February last the district was subject to a terrible storm, which carried my bridge away. I had to set to work at once and make another small one. That was also carried away, and I erected another temporary one. I am dairying, milking forty cows, and have so many difficulties to contend with, with the great loss of cattle with the poisonous tutu, &c., I am short of sixty cows and three-year-old heifers, in addition to the percentage I allowed for losses. Freight from Stratford to here costs at the very lowest in summer ½d. per pound, and has cost me up to 1½d. per pound in the nine months of winter—that was from the 1st May to 10th January—when the roads were almost dangerous for traffic. Together with all these difficulties, and in addition to be without a bridge which was promised by the Government, and after spending £2,000 in improvements, to be treated like this, I consider I am badly treated. And if there is no prospect of getting it I intend to get legal advice on the matter.

Mr. McCutchan, a member of your Commission, knows me and the district, and I think his son is interested also, as he has land on the Pukeko Road.

Trusting you will do your best for me,—I am, &c.,
The Chairman, Land Commission.

F. H. SYMONS.

WE, the undersigned Crown tenants in the Marton Nos. 1, 2, and 3 Small-farm Settlement, and in the surrounding districts of Rangiwahia and Ruahine, beg to state that we desire the right of converting our holdings from lease in perpetuity to freehold, for the following reasons:—

1. Most of us were not given, in the first instance, the option of taking up our sections under any tenure except the lease in perpetuity.

2. Settlers afterwards taking up unselected, surrendered, or forfeited sections in this district were given the option of taking up these sections either for cash, occupation with right of purchase, or lease in perpetuity, thus giving them a distinct advantage over the original selectors.

3. The insecurity of the lease-in-perpetuity tenure, which has already been attacked five times by the introduction of what is called a Fair Rent Bill embodying the principle of revaluation, has had a very detrimental influence on the Crown tenants' interests. The aim of this periodical revaluation being to raise the rental as soon as the tenants by the expenditure of their time, labour, and money have increased the value of their holdings.

4. Because, by the action of the Valuation Department, the Crown tenants' interests are sacrificed through writing down the value of their improvements and adding this to the unimproved value so as to unfairly increase Government interest in the sections.

5. Because of the power any Government might exercise through an Act of Parliament in changing the original terms and conditions of lease, which really destroys the security of tenure, and thereby enormously reduces its value.

6. Because we wish to free ourselves from that most unjust imposition of loading at 5s. per acre for roads, which under lease-in-perpetuity tenure is to go on for 999 years, so that a 200-acre section will pay in that time £1,998, while a cash purchase of the same section has only to contribute £50, and a selector under occupation with right of purchase £75.

7. Because of the difficulty of transfer and stringency of residential conditions, which require on lease in perpetuity a residence of ten years, while a selector under occupation with right of purchase has only to reside for six years.

8. Because at the decease of a Crown tenant there is a danger of his family losing his property though not being able to comply with all the stringent and irksome conditions.

9. Because of the difficulty of subletting either grass or bush for milling, owing to Land Board restrictions.

10. Because all the above, working together, render our leases practically useless as a security in the money market, and renders it almost impossible for Crown tenants (outside of the Government Advances to Settlers Office) to borrow on the security of lease-in-perpetuity tenure. In the few cases where tenants have been able to do so it was only at a much higher rate, and because the borrower was known to be a reliable and honest person.

11. Because it is desirable in the interests of the individual Crown tenant, as well as of the State, that all sections of the farming community, forming as they do the largest number of wealth-producers, that they should be placed in the position of enjoying the fullest sense of security and confidence in their undertakings.

12. Because we believe that this condition can only be found in its truest and fullest sense under freehold occupancy of the land, which tends to give every man a pride in making the best of his surroundings, because it is his own and his family's home, thereby calling into activity his best energies and endeavours.

13. Because, seeing this lease in perpetuity is such a ridiculously bad bargain for the colony, it must break down sooner or later, and therefore at the present time while it is possible to do justice to the Crown tenants they ought to be granted the option of obtaining the freehold title to their sections, if they so desire, by paying for same the same amount as would be required had they taken up their land under occupation-with-right-of-purchase tenure.

[Here follow signatures.]

GENTLEMEN,—

Whangamomona, 4th June, 1905.

As the Land Commission made such a hurried trip through the Taranaki District, and in this way deprived the settlers from voicing as completely as settlers in the South Island their views upon the various questions submitted to the Commission, we take this opportunity of placing before you our views upon two of the most important questions submitted to you.

Re *Land-tenure*.—We ask for the option of the freehold, because—

1. When the lease in perpetuity was first instituted it was represented to be equivalent to, or even better than, the freehold. Subsequent events have proved that this representation has no foundation in fact. We consider we are justified, therefore, in approaching the State, and asking that the above representation be made good in the only way now possible—namely, by granting to us an option of purchasing the freehold. There can be no breach of contract in our approach to the State. All we ask for is an offer from the State, which will not be turned into a contract or affect the present lease until we accept it. As has been pointed out, it was on account of our want of means and the representation that the lease in perpetuity was as good as a freehold that we took up our land under the present tenure, and the State's refusal to grant us the right to obtain the freehold now is therefore equivalent to an expression of its determination to keep us in a weaker and subordinate position in comparison with those more fortunate individuals who, possessed of more money when the land was first put upon the market, were enabled to take advantage of the occupation license or the freehold options.

2. The price which we should be asked to pay should be only what the State's reversion would fetch in the open market, and that is the price put upon the land when first we took it up. It has been objected that the State would thus, for nothing, be giving us a more valuable tenure than we at present possess; but our answer to this is (1) that the State will be getting the full market value of its interest, and (2) that this objection should not be raised by the State when it

is considered that the State in the beginning represented that the lease in perpetuity was better than a freehold. If, as a matter of fact, the State still considers the lease in perpetuity to be superior to the freehold, it cannot honestly claim any price for the change of tenure; and if the lease in perpetuity is inferior to the freehold, the State should not be entitled to say, "I find now that I was wrong; but if you want my representation made good you must pay me the difference in value between the two tenures." This would be glaringly unjust and inequitable; and if a similar representation were made by an ordinary landlord to his tenant the tenant could, by due process of law, force the landlord to make good his representation.

3. It is an accepted fact that the freeholder is more independent than the leaseholder, as the former is hampered by fewer restrictions; and as the status of a State depends upon the status of the different individuals composing it, anything tending to improve the status of the individual inevitably improves the State. We think that the tenure best for the State is the freehold, because under that tenure the truest development of the citizen can take place. It is an accepted fact that under a freehold, where the occupier recognises that he gets the full benefit of whatever he does, the land itself is better farmed. The prevention of the aggregation of large estates could easily be secured by appropriate alterations in the law relating to land-tax and death duties, by the limitation of area, and the resumption of large estates. We would respectfully point out that this prevention of aggregation, which is the real evil the land policy of the colony was intended to avert, cannot be secured by changing the tenure under which the land is held, but must be carried out by more direct measures. So long as the State has the right of taxation its grip upon the land is certain.

The Land Board, it is true, represents the State, and must administer the law as it appears on the statute-book, but the members are only human beings, and we object to our freedom of action being limited in any way, or our private affairs overhauled by any small body of our fellow-settlers, when the freeholder is absolutely exempt from such harassing conditions.

It has been said that our claim for the freehold is instigated by the money-lenders, but a very little reflection will show that this is not so. It is the present position of the leasehold, its insecurity of tenure and restrictive conditions, that enable the money-lender to demand and obtain a high rate of interest. If our land were freehold we could go into the open market and get the cheapest money. At present we are barred from this, and are compelled to go to a class of men who make a speciality of extorting interest. All the large lending institutions, the banks and trustees, will not touch the lease-in-perpetuity tenure.

4. We feel that we are not secure against future revaluation. This agitation is only commencing, and must inevitably bear fruit when the leaders of the agitation can persuade a bare majority of the people that revaluation is a good thing. And we think this agitation is likely to grow with the increase in population of the towns, whose inhabitants have no true practical knowledge of the conditions of land-settlement. This insecurity of tenure, besides placing us at a disadvantage in the money-market, must have a bad effect upon the individual.

5. We deny that there is one penny-piece of unearned increment in our land. We were loaded and have been paying for roads and railways which have never yet been made, and have, in addition, spent over £100,000 of money borrowed under the Loans to Local Bodies Act, to raise which we have voluntarily taxed ourselves and practically mortgaged our lands. Even if a railway is put through to the main trunk line and the main road completed and metalled, the State is giving us no more than our due share of the general revenue of the colony, a considerable portion of which we provide ourselves. Roads and railways have been made in other parts of the colony where freehold exists, and no loading was placed upon that land. Why, then, should we be treated differently, and compelled to pay additional merely because we get justice later than other portions of the people? In addition, as we have already pointed out, we are, by the loading placed upon our lands, already paying interest upon a sum large enough to complete all our roads and railways.

Roads and Railways.—1. We have to point out that the immediate completion of the main road, junctioning with the main trunk line, is absolutely essential. The metalling is done only for about seventeen miles, and in winter the rest of the road is quite unfit for traffic. This lack of a good road, to say nothing of our personal hardships and our inability to place our stock upon the market excepting at stated periods, compels us to pay highly for all necessaries of life, and makes our burden almost harder than we can bear. One storekeeper alone estimates that the additional carting caused by bad roads costs him £1,500 a year. All this, of course, we have to pay for. The road through the Tangarakau Gorge should be immediately formed and completed, there being at present only a bridle-track. The grade is good, and there are no engineering difficulties.

2. We consider that the railway should be pushed on with all speed. It is absolutely essential, as the road could not bear the traffic of this large district. We need hardly point out how repeatedly we have been promised this. It seems to us that the expenditures we are urging have a claim upon the colony very much before the public works completed recently or now being proceeded with in the large centres of population. The delay of these works might cause the townspeople some trifling inconvenience, but the delayed completion of our roads and railways means absolute ruin to us. We have already pointed out that we have raised over £100,000 ourselves, and it is quite impossible for us to tax ourselves any more; the load is already too heavy. It cannot be said that we have not helped ourselves as far as we could.

The remaining points upon which the Commission is receiving evidence we consider as secondary when compared with the two questions of land-tenure and the construction of roads and railways.—We are, &c.,

[Here follow signatures.]

The Chairman and members of the Land-tenure Commission, Wellington.

PONGAROA SETTLERS.—Minutes of Meeting of Crown Tenants held 5th April, 1905 (about sixty-seven present).

The following resolutions were passed at the meeting:—

That the Land Commission be asked to visit Pongaroa and hold a sitting to take evidence.

That this meeting of Crown tenants is in favour of the freehold tenure.

That the Government have not fulfilled their contract in regard to the making of the roads in this district, as promised at the drawing of the original associations.

That the gentlemen who heard the promise made by the Commissioner of Crown Lands, that the roads will be made, be asked to attend the Land Commission if held in Pongaroa.

That the administration of the Wellington Land Board has been unsatisfactory.

That this meeting considers that Crown tenants should elect a portion of the Land Board.

That Messrs. McCardle, McDonald, and Neilson be appointed delegates to give evidence at the Commission and present the above resolutions.

The following gentlemen stated they heard the promise of the Commissioner: Messrs. David Isles, Charles Reed, Alexander Anderson, Andrew Person, John Gunther, Charles Matthews, E. T. Green, C. W. Cooke, James McCardle, L. P. Hansen, and J. J. Gosling.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1905.

FORGOTTEN SETTLEMENTS—Minutes of Meeting of Crown Tenants held 5th April, 1905 (about
sixty seven present)

The following resolutions were passed at the meeting:

That the Land Commission be asked to visit Pongaroa and hold a public inquiry into the evidence that this meeting of Crown tenants is in favour of the freehold tenure of the roads.

That the Government have not fulfilled their contract in regard to the roads in this district as promised at the drawing of the original associations.

That the gentlemen who heard the promise made by the Commissioner of Crown Lands that the roads will be made, be asked to attend the Land Commission if held in Pongaroa.

That the administration of the Wellington Land Board has been unsatisfactory.

That this meeting considers that Crown tenants should have a portion of the Land Board.

That Messrs. McDonald, and Zillson be appointed delegates to the evidence at the Commission and present the above resolutions.

The following gentlemen stated they heard the promise of the Commissioner of Crown Lands, David Blair, Charles Reed, Alexander Anderson, Andrew Lawson, John McEwen, W. J. McEwen, F. T. Green, G. W. Cooke, James McDonald, J. H. Jackson, and A. J. Gilling.

By Authority: JOHN MCKAY, Government Printer, Wellington, 1905.