point has been already laid down. Mr. Wilson Gray, for one, has done so in a case in the Tokomairiro district. With respect to the equity of the thing, that is a matter of opinion. In blocks outside of Gold Fields, I think the purchaser would not be on an equal footing with the runholder as the law now stands, because the runholder has an anterior right.

Julius Vogel, Esq., M.H.R., Provincial Treasurer of Otago, was then examined, and gave the following evidence:—

I have to make the following remarks in response to the invitation of the Committee, regarding the working of the Otago Land Act and the Molyneux Petition:—(1.) The fairness of selling the land within hundreds after its remaining unsold a certain time, at ten shillings an acre, was open to question when the Act passed. I myself opposed it; but the Provincial Council determined on it, and moreover decided, in spite of an amendment moved, that the period should be seven years; that it should be available at the reduced price three years after its being first open to sale. The Assembly increased that period to seven years, lessening thereby the unfairness, if any. The whole object of the provision was avowedly for revenue purposes, and it is unreasonable to suppose the Province should not take advantage of it. If a revenue-raising proposal of this kind had not been inserted, some other would have had to be provided. It is to be remarked, also, that a small number only of the purchasers of land within the hundreds which have been exposed to sale at the reduced price had for some time before the various sales taken out depasturing licenses, and these only have the right to think themselves injured. (2.) Respecting hundreds, it is true the Land Act professes to set no greater restriction than what previously prevailed in the way of declaring Hundreds, but I am and was of opinion that the general scope is to some extent inconsistent with the Hundred principle; in fact that the enacting clauses do not bear out the declaration that nothing in the Act contained is to interfere with the declaration of hundreds. My reasons if stated briefly are these:—1st. It was always a question whether hundreds should contain purely agricultural land or a mixture of both agricultural and pastoral. 2nd. The practice which was adopted was to allow of the mixture of the two classes. 3rd. That speaking broadly the hundreds already declared have absorbed the best lands, and it follows, therefore, that future hundreds would have to comprise less of the agricultural and more of the pastoral lands. 4th. That under the new leases many years are added to the license tenure, and at a largely increased rental. It seems to me obviously inconsistent to suppose that under these various conditions the Hundred system is not materially crippled. To suppose otherwise is to suppose that the Legislature intended that whilst lands of a more exclusively pastoral character were to be available for transfer from the pastoral tenants to the pastoral pursuits of the purchasers within hundreds, yet the pastoral tenants were to be beguiled into accepting leases for longer terms, and to pay largely increased rents. It may be urged that these remarks do not apply to so much of the mixed lands as fairly come within the old accepted character of the lands suitable for hundreds but even admitting this it has to be remembered, as I have already stated, that most of those lands have been already taken for hundreds, and much of the remaining is included within Gold Fields. I will not enter into the consideration of the position in which the Gold Fields lands stand in reference to the declaration of hundreds. The question is a debateable one, and no doubt will be submitted some day for legal decision. In regard to the covenants entered into by the runholders with the Superintendent, they are of two classes: one set refers to runs within Gold Fields, and binds the runholders, in seeking compensation for blocks of land which may be required for agricultural lease purposes, to abide by a compensation based solely on the original license term, and irrespective of the new lease term. The runholders who have yet been affected by these covenants have, as far as I am aware, shown no disposition to complain of them—on the contrary, the arbitrations have been based upon them. The other class of covenants are undertakings on the part of the runholders to consent to the sale of blocks of land within their runs on the request of the Superintendent, in terms of clause eighty-three of the Land Act. Before the new Land Act passed, it was admitted to be desirable in some cases to have power to sell some lands within runs for revenue purposes. The new Act made such a provision even more necessary. When the Superintendent granted leases to the runholders, he had no other course open to him than that of taking covenants. The runholders would not have submitted to the absolute exclusion of large blocks from their runs, since when they took leases their licenses lapsed, and could not be renewed in respect to any portions of runs excluded from the leases. To have refused leases for some of the runs would have involved the refusal of the runholders to receive leases for others. Again, the covenants are valuable to the Province; they involve no abandonment of the rights conferred by the Act, and, with very few if any exceptions, the runholders were satisfied to give them, recognizing that the Government simply desired to adjust as far as possible very great difficulties, and to do justice to all interests concerned. In respect to complaints of the land revenue being unfairly expended, I am strongly of opinion that those who regulate the expenditure are actuated by the desire to do justice to all parts of the Province. They cannot convert a pound into twenty-five shillings, neither can they expend the same money twice over. The Province is large, many routes of communication have to be maintained, each district naturally craves for particular consideration, and is inclined to think itself neglected when any other district receives recognition. On the whole, however, I believe the feeling is rather one of healthy, vigorous, and somewhat jealous competition, than of chronic dissatisfaction. I believe the less legislative interference with the undoubted powers of self-government the people enjoy the better. Whatever legislation there is should be in the direction of making that self-government more complete, in order that those interested should understand how largely they have to depend upon themselves, their own exertions and judgment, and not upon political agitation.

21. *Mr. Reid.*] Were you a member of the Government when these covenants were entered into?—Yes.

22. Do you consider these covenants legal?—Yes.

23. Is the course now adopted in disposing of land in these blocks outside of Gold Fields before proclamation into hundreds not a practical evasion of the Land Act?—No; it is entirely in conformance with the Act.