taking out of Gold Fields any lands which it might be found inconveniently affected by that clause, on account of the amount of compensation to be paid for it?—If the land were remuneratively auriferous it would have been a manifest injustice thus to defeat the law, and escape the payment of compensation which was due under it.

57. Was the arrangement come to, as recommended by the Gold Fields Committee, admittedly a compromise between the interests affected by the 28th clause?—It was decidedly a compromise, and only arrived at after a most care-taking examination.

58. Would the chief distinction between "The Waste Lands Act, 1866," and "The Gold Fields Act, 1866," be correctly described by saying that under the one law the Waste Lands were intended to be sold and occupied under the hundred system, and under the other law land was intended to be occupied under agricultural leases, but was not to be sold except to the lessees?—Under "The Waste Lands Act, 1866," the land was designed to be sold for settlement or to be leased for pastoral purposes, and under "The Gold Fields Act, 1866," the land was not intended to be sold except in towns, and outside towns to the holders of agricultural leases. These were the great fundamental principles which unmistakably pervaded the Acts in question. The proceeds of the sale of land for agricultural settlement—the rents from agricultural leases on Gold Fields—and the largely increased rents from pastoral lessees, having been multiplied about fifteenfold, were looked for as furnishing the land revenues for many years to come.

59. If it would have been an evasion of the Act of 1862 to defeat the 28th clause by taking land affected by that clause out of Gold Fields so as to avoid paying compensation, would it not be a similar evasion of the existing Act to take land out of Gold Fields for the purpose of avoiding compensation that is payable under the compromise for which the 28th clause was repealed?—Most certainly it would, if taken out for the purpose of evading the action of the law.

60. Practically, does the question as to proclamation of hundreds over land within Gold Fields stand thus: that as land wanted for agricultural leases (if the land be retained in a Gold Field) must be compensated for, the same land if wanted for hundreds must also be compensated for?—Not exactly so; because in the latter case there are under "The Waste Lands Act, 1866," certain restrictions respecting the unexpired period of the licenses (82); and also the nature and extent of the compensation is fixed in the cases of runs being required for hundreds when under lease (82); the Waste Lands Act does not contemplate any settlement in Gold Fields except under "The Gold Fields Act, 1866."

61. In point of fact, will the Act according to its true intent allow land to be taken out of Gold Fields for proclamation into hundreds without the same compensation being payable as if the same land were wanted for agricultural leases?—I have answered this above.

62. If otherwise, would the runholders be getting anything in return for their increased rental; I mean anything substantially equivalent?—The equivalent offered for increased rental is ten years extension to the period unexpired under the license.

63. Have you seen the deed of covenant which the Provincial Government required to be executed by the runholders before the issue of leases?—I saw one, but it was stated to be incorrect.

64. Are you aware that one of the covenants imposed on the runholder was that he should give up certain areas (either for agricultural leases or for sale, as the case might be) without demanding the compensation to which he would have been entitled under the Gold Fields Act?—I understood that to be the case.

65. Have you heard that it is contended, that notwithstanding these deeds of covenant, if the Government require land outside the quantity covenanted to be given up without compensation, such land can be still taken, compensation being paid for the same?—Yes; I have heard it so stated.

66. But if this be the case, where would be the *quid pro quo* to induce runholders to give up any land without compensation?—I do not see any; but I suppose there must have been some good reason to induce the runholder to accept a condition not imposed by law.

67. If it be agreed that the *quid pro quo* is the issue of the lease (the execution of the deed of covenant being made a condition of such issue), and that such issue closes the matter as against the runholder, how do you propose to treat a runholder who holds the opinion that his surrender of the covenanted land is, under the deed of covenant, all that can be required of him during his lease?—The only treatment which equity and good faith demand is, that the lease should be validated and the covenant annulled.

68. If this opinion is held by nearly all the runholders affected, does not such a question arise as to their position and that of the Province, as makes an inquiry necessary, with a view, while preserving the public interest, to prevent any breach of good faith?—Undoubtedly.

69. Do you think that pending such an inquiry it would be expedient that anything should be done by the Government either to create a precedent that might have bad effects on the public interest, or to determine a question which involves private interests to so large an amount as this, no less than the public interest?—No precedent should be established. The law of the case should be at once ascertained and acted on.

70. But would you see any objection to arrangements being made between the runholder and the Government in the meanwhile for bringing land into the market if required by the latter, provided that this was done under the operation of the 83rd clause of the Waste Lands Act?—Every possible objection, as I have more fully stated in my evidence. I believe that the Provincial Landed Estate would be most seriously damaged by the abstraction of choice blocks—immigration be virtually stopped, owing to the difficulty in obtaining suitable land—the pastoral rentals decreased (see 74, 75, 83)—and a wrong inflicted on those runholders who may be unable to compete with the Australian capitalists for the choice spots commanding their runs.

F. D. Bell, Esq., M.H.R., was examined, and gave the following evidence:—

71. *Hon. Major Richardson.*] Are you the lessee or joint lessee of any runs in the Province of Otago?—I am.