

72. Have you taken leases in exchange for licenses to depasture stock on these runs?—I have.

73. Will you state approximately the acreage of the runs, the rent you pay annually, and the rent which was paid under the licenses?—Altogether about 250,000 acres in the various runs leased. The annual rent depends under the new Act upon the quantity of stock on the runs. Last year the rent I paid was about £2,200; in previous years it would have been one-seventh of that sum.

74. Did you enter into any covenant or covenants with the Provincial Government before leases were given you in exchange for the licenses, and as a condition preliminary to the leases being issued?—I entered into two deeds of covenant with the Superintendent of Otago before any leases were issued. My execution of these deeds was made a condition of the leases being granted; and at an Executive Council, when a remonstrance of mine against the penalties imposed by the deeds was considered, a minute was made that unless I executed the deeds leases would not be issued.

75. Will you state what were the chief points of these covenants, expressed or implied?—There were two kinds of deed. One class referred to agricultural leases, the other to blocks of land to be opened for sale. I covenanted in the one case to give up 5,000 acres at Ida Valley for agricultural leases, without claiming compensation, except for the unexpired term of the original license. In the other I covenanted to give up not exceeding 15,000 acres at Shag Valley for sale without compensation at all; but by a special agreement with the Provincial Government, in consequence of their taking a long narrow block up the Valley, the amount to be taken for sale was reduced to 10,000 acres.

76. Can you give the Committee a copy of these covenants?—I will give the Committee a copy of the deeds I signed as soon as I get them up from Otago. In the meantime the blank forms of the deeds received by the Committee from the Commissioner of Crown Lands will show what the covenants are. As I have said, there are two classes of deeds.—The first class applies to land required and taken for agricultural leases in Gold Fields. It recites the pastoral lease, and the provisions of the Gold Fields Act on the subject of compensation for land so taken, and then stipulates that the pastoral lessee shall, in claiming compensation for land so taken, only claim compensation for the unexpired term of the original license, and not for the extended term granted by the lease. This makes a very great difference in the amount of compensation that would be payable to the pastoral lessee, and therefore saves a very large amount of money to the Province.—The second class of deeds applies to land wanted in runs for purposes of sale. After reciting that the Superintendent was empowered to refuse to grant the lease applied for by the pastoral lessee—and reciting the provisions of the 83rd section of the Waste Lands Act—and reciting that the Superintendent had agreed to the lease being granted in consideration of the lessee entering into the covenant—and reciting the pastoral lease so granted, the deed provides that the lessee shall agree to allow part of the land comprised in the lease, not exceeding acres, to be sold without claiming any compensation whatever, provided that the land so to be sold not exceeding acres shall not be selected in more than three blocks. Then follow some provisions as to the lessee consenting to let the land be surveyed, and to give quiet possession when sold, under a penalty of as many thousand pounds as there are thousands of acres to be sold; and then as to a reduction of rent in proportion to the land sold. Lastly, the deed reserves the rights and powers of the Superintendent, and in some deeds of the Governor, under the Gold Fields and Waste Lands Acts, “unless such rights and powers are contrary to the deed of covenant.”

77. Did you object to these covenants, and if so on what grounds?—I objected to the penalties imposed by the deed of covenant, as being illegal. I did not object to the principle on which the covenants were proposed. Their effect was, as I have said in my last answer, to reduce the amount of compensation payable by the Province very largely, and to give (in exchange for the surrender of large rights of compensation for the land taken for agricultural leases and for sale) an additional security of tenure to the runholder. Thus an advantage was secured to both sides. The great objection I had was, that the Provincial Executive decided the areas to be given up without, as I thought, any system that was either made publicly known or would secure equality in application. The effect was necessarily unequal: for instance, a neighbour of mine at Ida Valley had the area to be given up by him for agricultural leases reduced to 2,500 acres while my area was fixed at 5,000 acres. I know that it is contended that no additional security of tenure is given to the runholder, and that after taking the land for sale under the deed, the residue of his run may still be taken for hundreds, he receiving compensation for that residue. But this is clearly not the case. The deed expressly limits the quantity of land that may be taken for sale within the run; and the right to proclaim hundreds (upon which proclamation the land immediately becomes open for sale), being contrary to that limitation, there can be no land taken in excess. I say this, of course, on the presumption that the deeds themselves are legal. I need not say that their validity in law has been often questioned. It is said they are waste paper. So they may be; but at any rate they cannot be claimed to-day by the Government in order to enforce consent of the lessee to the sale of the land, and then repudiated to-morrow by them in order to evade the limitation of the quantity to be opened for sale. Indeed, there is no doubt that the limitation was the inducement to a number of runholders to come in under the Act, and pay the increased rental; who certainly would not have done so if they had supposed that after giving up the land for sale and giving up any claim to compensation, they were still liable to have the rest of their runs taken for hundreds.

78. What result attended your objections?—The objections I made were overruled by the decision of the Executive, that unless I entered into covenants my leases would not be granted. It is right to add that the Provincial Government made several attempts, through their solicitor, to meet my views so far as they could do so consistently with the public interests; but as the proposals we discussed involved (as I thought) more or less illegality, I declined them successively, and in the end was obliged to execute the deeds.

79. What is the general opinion of these covenants among runholders with respect to the legal powers to demand them?—I don't think the runholders generally have very decided opinions about the legal power of the Government to demand these covenants. An impression certainly exists that the deeds are not authorized by law, and that the penalties could not be enforced. But the covenants being demanded in good faith, the runholders rely on their being executed in good faith also, as there is nothing in the land law to prohibit them.