

85. Supposing the covenanted blocks were taken, or a portion of them, what would you do, supposing it was intended to proclaim the remainder of the runs into hundreds?—I should resist it. The Provincial Government is not at all bound to take any part of the land; but if it does so, then the covenants on my part being fulfilled, the covenants on theirs also operate, and it would be entirely contrary to good faith that any land outside should be proclaimed into a hundred. If this were not so, I should not only have given up my claim under both Waste Lands and Gold Fields Acts for nothing, but I should (1st) have been obliged to buy a quantity of land which I don't desire to own as freehold, and (2nd) the value of the residue would have been reduced for compensation, by reason of the best part of the country being gone. I must however observe that I have consented to the sale, and the block reserved from my run has been surveyed.

86. Would you, supposing you did not purchase the selected blocks, demand a reduction of rent for the abstracted portion, and also for the reduced value of the remainder of the run?—I can hardly say what I should do in that case. In a case like mine, the runholder must buy the land.

87. Have you had an opportunity of purchasing any lands you have fancied in the Northern hundreds within the last seven years; if not, state what prevented you?—I have not had that opportunity. When I left the Government in 1863, I wanted very much to buy a block of land in Shag Valley; but I could not do so, as the land was not open for sale or selection while I was at Otago in December, 1863, nor until (I think) March, 1864. Being obliged to be in Auckland at that time I lost my chance, and have since had to purchase a quantity of the land I then wanted to get at enhanced prices, and to take other parts on lease at a high rent. In one case I could not get a purchasing clause under six times the Crown price.

88. Do you consider that these lands have been open for selection and sale for the time which sanctions the reduction of price from 20s. to 10s.?—This is a legal question on which I do not pretend to give a reliable opinion. But I feel convinced that in some at least of the recent sales the requirement of the law as to time has not been fulfilled, and I expressed that opinion to the Superintendent, advising him at the same time to seek the Attorney-General's advice before making sales.

89. *Hon. Mr. Domett.*] Is it not a most extraordinary proceeding that a Superintendent of a Province should enter into a covenant with a runholder the effect of which is to abridge, limit, and interfere with the rights and powers of the Governor of New Zealand, as is the case in the last proviso of the Deed of Covenant marked A, and annexed to Mr. Cutten's letter?—I know of no precedent for it. But though any words abridging the Governor's powers are of course inoperative (he not being a party to the deed), and may even be inoperative in law to restrict the Superintendent's powers, the words which the Hon. Chairman quotes (namely, "unless such rights and powers are contrary hereto") are binding in good faith. The Provincial Government has by these deeds saved large sums of money to the Province, that would otherwise have been paid for compensation, and they will no doubt deal in good faith with the runholders who gave up their claims to such compensation when they signed these deeds.

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