

1881.
NEW ZEALAND.

OTAGO PASTORAL LEASES COMMITTEE

(REPORT OF, TOGETHER WITH MINUTES OF PROCEEDINGS AND EVIDENCE).

Report brought up 17th August, 1881, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

THURSDAY, THE 30TH DAY OF JUNE, 1881.

Ordered, "That a Select Committee be appointed to consider the proposals of the Government with regard to the disposal of the waste lands in Otago, now held under pastoral lease about to expire, and to report generally upon the best mode of dealing with the lands. The Committee to consist of Mr. Bastings, Mr. Macandrew, Mr. De Lautour, Mr. Pyke, Mr. Shanks, Mr. Thomson, Mr. Ballance, Mr. Oliver, and the mover; three to be a quorum. The Committee to report in three weeks."—(*Hon. Mr. Rolleston.*)

WEDNESDAY, THE 13TH DAY OF JULY, 1881.

Ordered, "That the name of Mr. Shrimski be added to the Otago Pastoral Leases Committee."—(*Mr. Pyke.*)

THURSDAY, THE 21ST DAY OF JULY, 1881.

Ordered, "That an extension of time for fourteen days be granted to the Otago Pastoral Leases Committee within which to bring up their report."—(*Mr. Macandrew.*)

REPORT

THE Committee have the honor to report that they have agreed to the following resolutions:—

1. That, in order to prevent future difficulties in the way of settlement, care should be taken, in any classification of the Crown land, to exclude all land fitted for agriculture from areas proposed to be leased for a term of years for pastoral purposes.

2. If the whole of the runs, the leases of which terminate in March, 1883, are offered to the public, in terms of the Act, in or about March, 1882, the Committee is of opinion that, however minutely they may be subdivided, the great bulk of the country would be secured by the present tenants at little, if any, increase upon present rentals.

3. The Land Acts now in force would, with a few careful amendments, enable a responsible administrator to deal with the whole of these runs to the best advantage.

4. It is unadvisable to amend the Land Act during the present session (except as hereinafter provided) for the purpose of completely dealing with the whole of the runs the leases of which terminate in March, 1883.

5. The runs containing auriferous deposits in Central Otago should not be offered for sale.

6. Runs not known to contain auriferous deposits, and so situate as to be likely to be immediately required by existing settlers, settlers' sons, or others, for purchase or lease as agricultural or pastoral lands, should be divided—in the case of pastoral lands, not sold on deferred payments, in areas calculated to carry not more than 5,000 sheep—according to the configuration of the country, and offered in terms of the Act for sale on pastoral deferred payments, or for lease for a term of ten years, so soon as the law will allow. The widest publicity should be given to such intended sale. Where possible, the deferred-payment pastoral blocks should be placed alternately with blocks offered for lease only.

7. A short Act should be introduced by the Government this session giving power to take the whole or any portion of any runs terminating in March, 1883, or subsequently thereto, immediately required for sale, settlement, or public purposes.

8. Careful amendments of the Land Act should be prepared during the recess, to enable the balance of the runs not immediately required for settlement or subdivision to be dealt with so as to give the freest facilities for settlement where and whenever required, and to insure limitation of area and fixity of tenure to all leaseholds, with valuation for improvements to be paid by the incoming tenant at the end of the term, and to compel residence in the case of each of such leaseholds.

9. The Governor should be advised to intimate his approval to the Board of an immediate notification, to be given to all tenants whose leases expire in 1882 or terminate in March, 1883, that their runs, either in whole or in part, will be required for sale under Part II. of the Land Act, or for sale or settlement on deferred payments under Part III. of the Act. This would overcome any difficulty arising from a doubt as to when the leases expire.

The Committee approve generally of the proposals submitted by the Government as to the mode of classification and proposed subdivision of the runs, subject to the recommendations proposed in the foregoing resolutions.

17th August, 1881.

J MACANDREW,
Chairman.

MINUTES OF PROCEEDINGS.

WEDNESDAY, 6TH JULY 1881.

Present: Mr. Ballance, Mr. Bastings, Mr. De Lautour, Mr. Macandrew, Mr. Pyke, Hon. Mr. Rolleston, Mr. Shanks, Mr. Thomson.

The order of reference dated 30th June was read.

Moved by Mr. Bastings, and seconded by Mr. Shanks, That Mr. Macandrew do take the chair.—Carried.

On the motion of Mr. Pyke, seconded by Mr. Bastings, *Resolved*, That Mr. McKerrow, Surveyor-General, be summoned to attend the next meeting of the Committee, and to produce copies of the Government proposals, with any maps or plans prepared for the explanation of such proposals; and the memorials presented by branches of the Central Otago Land League, also the latest returns showing lands held under pastoral leases or licenses in Otago and Southland.

Moved by Mr. Pyke, and seconded by Mr. Thomson, That the meeting do adjourn till Tuesday the 12th instant, at 10.30 a.m.—Carried.

The meeting adjourned accordingly

TUESDAY, 12TH JULY, 1881.

The Committee met pursuant to notice.

Present: Mr. Ballance, Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Oliver, Mr. Pyke, Hon. Mr. Rolleston, Mr. Shanks, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

Mr. McKerrow, Surveyor-General, attended, and, having laid before the meeting certain documents, he explained the maps of the Vincent and Maniototo Counties in connection therewith.

On the motion of Mr. De Lautour, seconded by Mr. Bastings, *Resolved*, That Mr. John Ewing, and Messrs. David Barron and Mackay, District Surveyors, be summoned to give evidence before this Committee as to the locality of auriferous lands within the districts proposed to be dealt with under the Government proposals.

On the motion of Mr. Pyke, seconded by Mr. De Lautour, *Resolved*, That Mr. McKerrow be summoned to attend the next meeting.

Moved by Mr. Bastings, seconded by Mr. Shanks, That the meeting be adjourned until Thursday next, the 14th instant, at 11 o'clock.—Carried.

The meeting adjourned accordingly

THURSDAY, 14TH JULY, 1881.

The Committee met pursuant to notice.

Present: Mr. Ballance, Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Oliver, Mr. Pyke, Hon. Mr. Rolleston, Mr. Shanks, Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

The order of reference, adding Mr. Shrimski's name to the Committee, was read.

Mr. McKerrow was examined relative to the proposals of the Government as to dealing with the pastoral lands of Otago.

Moved by Mr. Pyke, seconded by Mr. Oliver, that the meeting adjourn for a week.—Carried.

The meeting adjourned accordingly

THURSDAY, 21ST JULY, 1881.

The Committee met pursuant to notice.

Present: Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Oliver, Hon. Mr. Rolleston, Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

On the motion of Mr. De Lautour, *Resolved*, That Mr. McKerrow's evidence be printed.

Mr. John Ewing attended and gave evidence. Mr. David Barron, District Surveyor, Naseby, gave evidence.

Moved by Mr. Thomson, seconded by Mr. Bastings, that the meeting adjourn till Saturday next, the 23rd instant, at 10 o'clock a.m.

The meeting adjourned accordingly

SATURDAY, 23RD JULY, 1881.

The Committee met pursuant to notice.

Present: Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

Mr. William Fraser, runholder, attended and gave evidence.

Mr. David Barron, District Surveyor, completed the evidence postponed from previous meeting.

Moved by Mr. De Lautour, and seconded by Mr. Bastings, That Mr. McKerrow be summoned to next meeting, for the purpose of giving evidence.

On the motion of Mr. De Lautour, *Resolved*, That all evidence be printed.

Moved by Mr. Shrimski, seconded by Mr. Bastings, That the meeting do adjourn till Wednesday next, the 27th instant.

Meeting adjourned accordingly

WEDNESDAY, 27TH JULY, 1881.

The Committee met pursuant to notice.

Present: Mr. Ballance, Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Shanks, Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

Mr. McKerrow, Surveyor-General, attended, and was examined relative to the gold workings, &c., in the Vincent County

Moved by Mr. De Lautour, seconded by Mr. Thomson, That the meeting do adjourn till Wednesday next, the 3rd proximo, at 11 a.m.

The meeting adjourned accordingly

WEDNESDAY, 3RD AUGUST, 1881.

The Committee met pursuant to notice.

Present: Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Pyke, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

The evidence previously taken being still in the hands of the printer, the meeting adjourned *sine die*.

FRIDAY, 12TH AUGUST, 1881.

The Committee met pursuant to notice.

Present: Mr. Bastings, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Oliver, Mr. Pyke, Hon. Mr. Rolleston, Mr. Shanks, Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

On the motion of Mr. Pyke, *Resolved*, That the meeting do adjourn till Tuesday the 16th instant, at 11 o'clock, to give time to the members to read over the evidence as printed.

The meeting adjourned accordingly

TUESDAY, 16TH AUGUST, 1881.

The Committee met pursuant to notice.

Present: Mr. Bastings, Mr. Ballance, Mr. De Lautour, Mr. Macandrew (Chairman), Mr. Oliver, Mr. Pyke, Hon. Mr. Rolleston, Mr. Shrimski, Mr. Thomson.

The minutes of the previous meeting were read and confirmed.

The Committee proceeded to consider the several clauses in proposed report, which was as follows:—

1. The Committee is of opinion that the administration of the Crown lands in Otago now held under pastoral lease should be under the control of a Responsible Minister.

2. In deciding what lands are required for sale, settlement, or other public purposes other than endowments, the Minister should obtain the advice of the County Councils, or other elective local bodies, and be guided by such advice wherever reasonable.

3. If the whole of the runs, the leases of which terminate in March, 1883, are offered to the public in terms of the Act, in or about March, 1882, the Committee is of opinion that, however minutely they may be subdivided, the great bulk of the country would be secured by the present tenants at little, if any, increase upon present rentals.

4. The Land Acts now in force would, with a few careful amendments of a detail character, enable a responsible administrator to deal with the whole of these runs to the best advantage.

5. It is inadvisable to amend the Land Act during the present session (except as hereinafter provided) for the purpose of completely dealing with the whole of the runs the leases of which terminate in March, 1883.

6. The runs containing auriferous deposits in Central Otago should not be offered for sale, but—after all non-auriferous areas have been reserved immediately required for settlement, as lands to be opened for immediate sale, agricultural lease, deferred payments, or pastoral deferred payments, or for other public purposes—should be offered again to the present tenants until March, 1884, at current rents, but without prejudice to the Crown's right to deal with such runs after March, 1884, as may be thought most expedient.

7. Runs not known to contain auriferous deposits, and so situate as to be likely to be immediately required by existing settlers, settlers' sons, or others, for purchase or lease as agricultural or pastoral lands, should be divided—in the case of pastoral lands, in areas calculated to carry not more than 5,000 sheep—according to the configuration of the country, and offered in terms of the Act for sale on pastoral

deferred payments, or for lease for a term of ten years, so soon as the law will allow. The widest publicity should be given to such intended sale. Where possible, the deferred-payment pastoral blocks should be placed alternately with blocks offered for lease only.

8. All other runs, not so judged to be immediately required for settlement or public purposes, should be again offered to the existing tenants at current rents until March, 1884, without prejudice to the Crown's right as aforesaid.

9. A short Act should be introduced by the Government this session, giving power to take the whole or any portion of any runs terminating in March, 1883, or subsequently thereto, immediately required for sale, settlement, or public purposes; to grant temporary licenses of such portions of the runs not now required, to the present tenants or others, until 1884; in such last cases to provide that it shall not be necessary to re-let such portions of the runs for ten years as required by the existing Land Acts.

10. Careful amendments of the Land Act should be prepared during the recess, to enable the balance of the runs not immediately required for settlement or subdivision to be dealt with, so as to give the freest facilities for settlement where and whenever required, and to insure limitation of area and fixity of tenure to all leaseholds, with valuation for improvements to be paid by the incoming tenant at the end of the term, and to compel residence in the case of each of such leaseholds.

11. The Governor should be advised to intimate his approval to the Board of an immediate notification, to be given to all tenants whose leases expire in 1882 or terminate in March, 1883, that their runs, either in whole or in part, will be required for sale under Part II. of the Land Act, or for sale or settlement on deferred payments under Part III. of the Act. This would overcome any difficulty arising from a doubt as to when the leases expire.

12. That, in order to prevent future difficulties in the way of settlement, care should be taken, in any classification of the Crown land, to exclude all land fitted for agriculture from areas proposed to be leased for pastoral purposes.

13. That, subject to such classification, pastoral lands should be leased for a period of years, with fixity of tenure, so as to encourage the lessees in improving such land.

14. That holders of deferred-payment agricultural lands be allowed to take up deferred-payment pastoral land without the enforcement of the condition of residence.

15. That in any amending law provision should be made for the above purpose.

The Committee approve generally of the proposals submitted by the Government as to the mode of classification and proposed subdivision of the runs, subject to the recommendations proposed in the foregoing resolutions.

Moved by Mr. Pyke, That the consideration of clauses 1 and 2 be postponed, in order to consider clause 3.—Carried.

Moved by Mr. Thomson, That clause 3 be agreed to.—Carried.

Moved by Mr. Pyke, That clause 4 be amended, by the omission of the words "of a detail character," and that the clause, as amended, be agreed to.—Carried.

Clause 5 was adopted without amendment.

Moved by Mr. Pyke, That clause 6 be adopted, as amended, by omission of all words after "for sale."

On the question being put, a division took place, which resulted as follows:—

Ayes, 4.—Mr. Ballance, Mr. Bastings, Mr. Pyke, Hon. Mr. Rolleston.

Noes, 3.—Mr. De Lautour, Mr. Shrimski, Mr. Thomson.

The motion was therefore carried.

Moved by Mr. De Lautour, That in clause 7, line 3, after the words "pastoral lands," the words "not sold on deferred payments" be inserted.—Carried.

Clause 8 was struck out.

Proposed by Mr. De Lautour, That, in clause 9, all words after "public purposes" be struck out, and that the clause so amended be adopted.—Carried.

Moved by Mr. Oliver, That, in clause 10, all the words after "term" be struck out.

On the question being put, that such words be struck out, a division took place, which resulted as follows:—

Ayes, 3.—Mr. De Lautour, Mr. Oliver, Hon. Mr. Rolleston.

Noes, 5.—Mr. Ballance, Mr. Bastings, Mr. Pyke, Mr. Shrimski, Mr. Thomson.

The motion was therefore negatived.

Clause 11 was adopted.

Moved by Mr. De Lautour, That, in clause 12, after the word "leased," the words "for a term of years" be inserted.—Carried.

Clause 13 was struck out.

Clause 14 was struck out.

Clause 15 was struck out.

Clauses 1 and 2, consideration of which had been postponed, were struck out.

The adoption of the last paragraph was carried.

Moved by Mr. De Lautour, That the resolutions, as amended, be the report of the Committee.—Carried.

The Committee then adjourned *sine die*.

MINUTES OF EVIDENCE.

THURSDAY, 14TH JULY, 1881.

Mr. MACANDREW in the Chair.

Mr. MCKERROW, Surveyor-General, examined.

1. *Mr. Pyke.*] Altitude alone does not count in the matter of the fitness of interior Otago for grain-growing?—I am aware of this, and that as you approach the Lakes the climate becomes considerably ameliorated. Elevation is very material as regards grain-growing, but it is modified by other circumstances. Altitude, however, has most to do in determining climatic influences. The Crown Terraces are cropped at from 1,600 to 2,000 feet. It would not be possible to grow such crops at that height near the coast. Flagstaff, near Dunedin, is 2,200 feet in height; but settlers who have made the experiment on the flanks of that mountain have found that they could not ripen oats properly. The reason is that all along the coast-line of Otago, and for thirty miles inland, the country is subject to south-westerly weather, which is very severe; but from that distance inland, up to the Southern Alps, it is a different climate altogether, the interior being protected by the coast ranges from the south-westerly weather, and by the Southern Alps from the North-west. There is more sun, so that with inferior soil you can grow a better quality of wheat in the interior—at the Wakatipu, for instance—than on the Taieri, near Dunedin. That climate extends from Moa Flat upwards.

2. You speak of inferior soil. In what sense do you use that word?—As regards its capacity for growing crops; in regard to weight of crop and permanency. For instance: on the lower Taieri Plain they have grown wheat in successive crops for twelve or thirteen years, without any apparent exhaustion of the soil, by simply ploughing a little deeper and turning up fresh alluvium; but in the interior of Otago there are shingly plains which have not that depth of soil.

3. Would it surprise you to learn that for fifteen successive years white crops have been grown on the same land with good result?—It would not surprise me in particular instances, but it would be very unfair to generalize from such instances.

4. It would surprise you to learn that it is the case generally?—I may say that, except in possibly one or two cases, no such thing has been done.

5. You suggest in your memorandum the laying off of land for pastoral purposes in, “say twice the depth to the width.” Do you mean by that, that you would include the flat agricultural country in the portions proposed to be re-leased?—I would include as much flat as would be wanted for winter country to work the higher country, and for homestead purposes. This would be essential; the hill country cannot otherwise be availed of.

6. What do you call winter country?—All country above the winter snow line, which line varies from 1,600 to 3,000 feet. I consider it is absolutely necessary, on every run, that a portion of land under 2,000 feet of altitude should be included in the lease for homestead purposes. In other words, I say it is nearly impossible in interior Otago for people to find homestead sites above that level. There are only one or two places where they could do so; the Crown Terrace is wholly exceptional, you could not parallel it in any other part of the country in Otago. The homesteads must be situate below an altitude of 2,000 feet, for the obvious reason than all land over 2,000 feet, except this Crown Terrace, is generally on a hanging slope, and very steep; the climate, moreover, is such that no one would care to live above that level. The necessity for having low land for the stock in winter is another reason.

7. Is it in your knowledge that the flat land is *not* used for running stock over in winter in Otago?—It is within my knowledge that it *is*.

8. Are you acquainted with the Hawkesburn Run, behind the Bannockburn, near Cromwell?—I know that country. I should think that a man would put his sheep down on the flat country there in winter; that is where he would put them. But no sane man would do so under present circumstances, because there are so many diggers there, with their dogs, which makes him keep his sheep away from the best part of the run.

9. Putting aside diggers and dogs, would the lessee put his sheep on that frozen flat in winter, or on the sunny slopes?—My opinion is this: that, if there were no miners on the run, a wise sheep-farmer would herd his sheep on the Carrick Ranges, 3,000 to 5,000 feet high, till about the end of April or beginning of May, when he would bring them down to the lower hills, the feed on which he would have saved during summer to carry his sheep in winter.

10. But I want to elicit from you whether flat country is not the worst country in winter to put sheep upon?—Yes, not only in winter, but in summer. The flat is shingly; the valuable country is on the lower slopes of the mountains.

11. I believe the proposal is that hill farms should be disposed of by pastoral deferred payment, immediate payment, and lease?—Yes.

12. The lease terminable at a fixed period?—Yes, ten years.

13. Is it proposed to open any of this land for hill farming on a system similar to that of agriculture leases?—No.

14. Is it proposed to give a chance to men desirous of investing their capital, but to whom it would be excessively inconvenient to live upon the land?—Yes, leasing or purchase would give them a chance.

15. But, supposing a man without money; would you not give him a chance on deferred payment?—People without money should have nothing to do with land at all.

16. But, in the case of traders, miners, and other people saving money, what opportunity will they have?—The law will permit them to lease they can lease a small run, but they can acquire no right to

purchase it. They, however, have the right to take up a pre-emption of 320 acres, an area equal to the maximum allowed under the agricultural leasing system. Some shopkeeper, say in Clyde, can lease a run of 4,000 acres, and may go to live in England if he likes. But he can, notwithstanding, take up his 320 acres pre-emptive.

17. Supposing that a man had a five thousand acre hill-farm, of which three hundred or four hundred acres are available for agriculture, and the rest for grazing, is there no provision by which he could obtain the fee-simple of the whole?—No.

18. Unless he resides upon the land?—Unless he resides.

19. What is the objection in your mind to the present agricultural lease system?—It is a very suitable system for miners and shopkeepers who wish to improve a piece of land but do not wish to reside upon it. But, I may tell you, that its actual working out in Otago has been frequently this: two or three people get up a petition and worry Government into cancelling the lease of a portion of country. Government has to pay heavy compensation for fencing and grazing rights, which comes to, perhaps, five shillings per acre. After the liability for compensation has been incurred, and the land surveyed, a collusion takes place among applicants by which the whole of the land is arranged for, and one man or a company gets it all into one holding. It is a mere farce which is enacted. Government goes through all the paraphernalia of minute surveys, advertising, Proclamations, lithographing of plans; and the upshot is that one man gets a very nice little sheep farm in the midst of Crown lands—gets it, too, to the detriment of the surrounding country—because it is invariably the best land that is operated upon. That does not instance an isolated case.

20. The deferred-payment system: That system has not been abused. You would be surprised to hear that some have a thousand acres of agricultural land under the deferred-payment system?—Yes, very surprised indeed.

21. How were the Wakatipu and Tuapeka Districts settled?—The land was generally surveyed before settlement; it was settled under the agricultural leasing system. These districts are the two best examples of settlement under the agricultural lease system; but in the Wakatipu District the agricultural land got into several large estates. The Wakatipu District has been very successfully settled; yet there has been a great deal of collusion between parties who never wished to settle there, but lent themselves to others who wished to acquire a good-sized farm. I think it is desirable that residence should be insisted on in those smaller areas.

22. Now, with regard to the disposal of those large tracts of country for pastoral purposes—tracts of 20,000 or 30,000 acres—do you not think residence should be demanded there?—I do not think so.

23. Only on the smaller pieces?—Only on the smaller pieces, where people have the privilege of extending payments over fifteen years.

24. *Mr. Ballance.*] Is this dummyism to which you refer carried on to any considerable extent under the agricultural lease system?—Very considerably. There is an amalgamation afterwards of two or three sections into one.

25. What is the maximum extent of these amalgamated holdings?—It depends upon the arrangements people make. There is a notable instance I have in my mind, in which an area of about 2,500 acres is worked as one farm; it is agricultural land, and is farmed very well, too. A great deal of expense has been put upon it. I do not think, in this particular case, it was a very bad thing; because great improvements have been made, and much money expended on the land; but, when you speak of the agricultural lease system, I object to the present system with its minute sectional surveys. Better a system that if a man wants a farm of 2,500 acres he can get it right off.

26. But are these instances numerous?—I could mention five or six notable cases in which the land is held in areas of from 1,000 to 3,000 acres.

27. Who has generally got this land—the runholder?—In no case the runholder. Yes, I can recall a case or two in which the runholder is reputed to have got it.

28. What quantity of land has been set aside under the pastoral deferred-payment system in Otago?—About 100,000 acres, up to date, in areas of from 700 to 5,000 acres. From what I know, as to how the lessees are getting on, they are doing well; but it is scarcely time to pronounce upon the success or non-success of the system. Their payments are made up to time. They are making improvements, though improvements are not insisted upon. They reside, to my personal knowledge, in some cases upon the land. They have to reside upon the land within six months of date of license, and I have no doubt they comply with that condition.

29. What class of men are they?—They are sons of old settlers, old settlers themselves; and I know one who is a contractor. It is impossible for most of them to go in for agricultural pursuits, the land being hilly; but if they had some lower land I have no doubt they would go in for agriculture.

30. How does the system of pastoral deferred-payment leasing suit, with regard to keeping down the rabbits?—I think it will suit very well; because you will get more population on the country, and have more people interested in suppressing the evil.

31. Do you think that would be a solution of the rabbit difficulty?—It would, where country is suitable for pastoral deferred payments. The limit of five thousand acres prevents the application of the pastoral deferred-payment system where the mountains are very high. Speaking of the rabbit difficulty suggests a very important point in the consideration of this question of dealing with the runs. Every acre in the country should be, if possible, in the occupancy of some person, who should be held responsible for the carrying-out of regulations that may be issued for keeping down this pest.

32. In your memorandum on runs, you do not make a reference, such as you did in last year's Crown Lands Report, to the necessity for giving fixity of tenure?—The document before you is merely a memorandum, which proposes to give effect to the law as it exists.

33. You have changed your opinion regarding necessity of fixity of tenure?—No.

34. Do you think it desirable?—That is a matter for the Government. I think it very desirable.

35. What is the present position?—The leases are for ten years; but the tenant is subject to eviction at any time upon twelve months' notice. That is an extremely unsatisfactory position for the tenant. He does not feel that he can make improvements, for there is no compensation for improve-

ments. He may have erected thousands of pounds worth of fencing; but, if he got notice, he would have to clear out at the end of twelve months without receiving a single penny of compensation. That is the law

36. You propose to divide the land into three classes: pastoral deferred payments, smaller runs, and then the greater portion of the country into pastoral runs for leasing. You think, with regard to the third class, there would not be fixity of tenure?—There would not by law, but practically there would be. The nature of the country is such that it is almost certain that no Government or Land Board would ever presume to take land for settlement, because it is simply unsuitable for the purpose.

37. Would not that give fixity of tenure without any alteration of the law?—It will.

38. Then what necessity for altering the law, if you have fixity of tenure as it stands?—At the present moment this country is in the occupancy of ninety persons or firms—the whole of this three million acres. They are now on the ground, with all their stock and their station arrangements. They know, from the very nature of the country, that, if they get a re-lease, they will be sure from their arrangements that they will not be disturbed. But any person who contemplates becoming a runholder naturally looks to knowing the nature of the tenure, and says to himself, “I may be dispossessed in a year. True it is that the nature of the country is such it may not be likely, but I may be dispossessed; and I have not sufficient capital and I have to go to the banker, to whom I must show some security.” The banker or other money-lender at once says, “You may be dispossessed in a year; I will not advance you money.” The natural effect is to give very great advantages to the persons now in occupation of the country. If I were the landlord of the country I would make the tenant as secure as possible, and so have more people competing for my land.

39. You think it virtually impossible that the lands will be taken from the lessees for other parties?—I think so.

40. But will not the banks or money institutions consider this?—I scarcely think so; more especially those money institutions in New Zealand represented by agents, who could not be supposed to exercise as much discretion as their principals might.

41. *Mr. Oliver.*] What advantage do you expect by insisting upon residence, in the case of deferred pastoral payments?—By interspersing pastoral deferred-payment sections through the other classes, it would tend effectually to prevent the country from being absorbed by large capitalists.

42. What advantage do you expect to gain by enforced residence on these blocks?—You would get people to reside on the country, and you would prevent the country from being bought up by a few individuals.

43. But, in order to make use of a block of land, would it be necessary that every owner or his agent should live upon it?—Undoubtedly, the owner should live upon it.

44. You think that a greater advantage would be derived, by insisting upon the residence of the owner, than by permitting him to live there by his agent or deputy?—I think so.

45. What are these advantages?—That you will get more people on the country. For instance: take Gellibrand and Smith's run, on the Taieri, which comprises more than 100,000 acres. I do not suppose upon that country there are more than a dozen hands employed, except in shearing time. It pays these capitalists well to keep this land under ring-fences, and to work it with a few shepherds and a few dogs in a comprehensive way. But if you divide it into small blocks, and pin down an energetic man upon each area, the present way of working it will not pay him. He says, “I must increase the carrying capacity.” To do this he would plough the clear spaces among the rocks, grow turnips and oats, and cultivate grasses; nearly one-half the area could be treated in this manner bit by bit, and the carrying capacity immensely increased. But, if you have not some restraining power to compel residence, you will allow men to go in for section after section and shut up a whole valley; and, in the case I instance, the whole of the land might be taken up by one. Take the station next Gellibrand and Smith's; it is called Deep Dell. It consists of 100,000 acres. The principals, I believe, are in Glasgow. The only persons upon the run are the head shepherd and a few other shepherds about on the run. No sentiment attaches to the land when so held. No child says, “This is my home; this is our land, and these my father's sheep.” The whole thing is unnatural.

46. *Mr. Pyke.*] I understand you to say that you do not consider it would be necessary to insist upon residence in the future disposal of the pastoral lands?—Not on the great high runs, away in the interior. I am speaking of the country that is capable of improvement by the plough, for pastoral deferred-payment settlement. There is nothing in the nature of pastoral country which renders personal residence applicable. It is only on country capable of being improved that residence should be insisted on.

47. *Mr. Oliver.*] You mean to accomplish by enforced residence the carrying on of improvements?—Yes.

48. Is not the New Zealand and Australian Land Company, to which you refer, the largest farmer in New Zealand?—Yes, but it is also the fact that it possesses the most valuable land in New Zealand. On flat land like the Levels, near Timaru, and on land in Southland, they have done a great benefit to the country; but in country like the Deep Dell, and other runs of a similar nature, they work them in this way: that they simply gather in the natural fruits of the earth by grazing the land. I ought to add, however, that, except on their pre-emptions, runholders have no right under existing leases of cultivating the land.

49. You do not think that reliance can be placed upon the natural desire of every possessor of land to make the most profit out of it?—No. I think the actual necessity of residence upon the ground would bring about a great improvement of this hill country. I have no doubt of that. But mark this: the evil hitherto in Otago has been the placing of unnecessary restrictions, compelling men to take no more than 320 acres; and relief was sought in the dummyism already referred to. Had I been a settler I should likely have done the same. The necessity was imposed on them. It was illegal, but I do not think it was immoral; because no man could have a proper living off 320 acres of hill land, with bad roads and great distance from market.

50. Since the improvement of land is the object, for which it is insisted personal residence shall take place on pastoral deferred-payment blocks, would not the same end be attained by insisting on a certain portion of improvements without residence?—Possibly it would.

51. And would not that enforced residence, if not of the owner, of other persons, be possibly of as great use to the country?—I do not think it would. I have a decided feeling that the owner of the land should live upon it and make it his home. If the young people growing up and living upon the land are but mere shepherds, or the children of such, the whole thing is too commercial altogether. They can have but little feeling of attachment to the soil, with their miserable little bit of a hut of sods, and rations served out to them like people in gaol. If they could look round and say, "These are our cows and sheep," it would be different. In the one case you would have a home, with comfort gathering around it; with its possessors proud of it: in the other you have a makeshift, cold and cheerless.

52. Your answer comes to this: that if you could bring about the settlement of a yeomanry, it would be a very desirable thing. That we can all see. But as to dummyism—the illegal getting hold of land, particularly in the neighbourhood of the diggings—is it not the fact that this dummyism, or occupation of a larger area than the law permits, has been beneficial to the country?—Yes. In many cases a large amount of capital has been put upon the land, and great improvements made.

53. Then your objection is to a system which obliges you to go to the expense of subdivisional surveys?—The proposition is to lay off in Strath Taieri, Blackstone Hill, and Ida Valley, areas larger than those now allowed by law. We prevent all this dummyism and illegality by giving the opportunity of acquiring a sufficiently large area for an arable stock farm at once; but always keeping in view the occupation of the country by a resident proprietary.

54. *Mr. De Lautour.* I wish to bring out your views more clearly upon one point: you are referring to the uncertainty of the tenure of leases let under the present Act, and you state that the occupier may at any time get notice that his run is required for settlement?—Or for the sale of either agricultural or pastoral land.

55. But the actual wording of the Act is that the land is required for sale, so that such a case can take place only when it is actually wished to sell the land?—Yes.

56. You cannot deal with this 2,681,000 acres at once?—It can be dealt with at once. If, say, about one-third of it was surveyed into runs under 5,000 acres; the rest would be in larger runs, of twice the depth to the width.

57. Do you not think it will be necessary to take a limited area, which must be given up for settlement next year—not to lock up all the country in the larger runs for ten years; but to reserve the right of taking areas from year to year?—I do not think it would be advisable to keep anything hanging in abeyance. I would deal with all the country at once, under one or other or all of the three systems—of leasing, of cash, and of pastoral deferred payments. But as the population now in the district is only a mere handful, they cannot take up all this land. The Crown Lands Department, with the sanction of Government, will, as soon as the scheme of dealing with the country is finally decided on, have an account of it drawn up and published, with an explanatory map. This will be sent to the Agent-General and other people at Home, and I believe will be the best immigration scheme devised for a long time.

58. You have to deal with them in March, 1882?—No, in March, 1883.

59. The wording of the Act is that you must sell the present runs before the expiration of the lease?—But it is not the intention of the Government to sell the runs in their present size. The runholders on the lower country will likely be informed that it is not the intention to have that country re-leased. The lands will then be selected for deferred payments, for mining, agriculture, and other reserves, and the intermediate parts will be available for disposal in small runs. The sales and re-leasing can be deferred till within six months, or to six days, of March, 1883, if the Government think fit. As a matter of wisdom it will, no doubt, be done six months before, to allow of time to arrange for the placing of sheep between the outgoing and incoming people.

60. But is it not the wording of the Act that the leases must be sold twelve months before the expiration of the present term?—The Act is a little mixed. At one place it states what you say: at another it seems to imply something different. The Land Board and Government concurring, have the management of the Crown lands, and, in effect, have it at their discretion when and how to offer these runs to public selection.

61. Has any opinion been obtained from the Law Advisers, as to what time the leases of the runs do expire?—No. I may say they were referred to in one or two cases. It was in this way: A pastoral lessee desired to throw up his lease; the Government would not accept surrender. The lessee refused to continue paying rent, but the Solicitor-General decided that he had not only to pay, up to December, 1882, but—and my impression was that it was very hard—he was liable up to the extended period of March, 1883, as fixed by the Legislature in "The Land Act, 1877." That opinion was obtained only incidentally; still, there it is, and it will apply to all alike, I presume.

62. It has been held as a matter of doubt whether the leases do not terminate in September, 1882, the runholder having the right of occupancy to March, 1883; and, therefore, should not notice be given in September?—That point has been before the Land Board; but I think it is busying itself about a matter that it need not bother about. Supposing that the Board failed to give notice, I do not see how the leaseholder could demand to get the country on another lease without competition. It would be simply this: Government would go on and deal with the country, irrespective of any proposals to the contrary.

63. In regard to the collusion by which one person obtained adjoining holdings: was not the greatest portion of these obtained under the system of 200 acres or less, the 320-acre provision only coming into force at a much later stage, so that the sections amalgamated in this way were of 200 acres or under?—They were mostly so, but not in all cases. The most recent development of this collusion was upon 320-acre holdings, which shows that the evil still exists.

64. How do you know that in all these cases the original applicants do not still retain their

interest in the land? You seem to assume that, because sections are worked together, therefore applications have been put in for one person under various names. May those persons not still have their interests, only agreeing to co-operate in the management?—I know that both in Tuapeka and Wakatipu there are estates very large—relatively so, that is, of a thousand or two thousand acres—which are held by one individual. I do not know private business; but when you are travelling through the country the fact is notorious, that such a property is A.B.'s farm, and that is C.D.'s. And in the case which you refer to, of people still having an interest in the land, it is extremely likely if they have it nominally that really their holding is not very great.

65. What time would be necessary for selling stock upon runs?—I think about six months would be enough.

66. Would not that in some measure govern the time when this country should be offered for sale?—Certainly; the present runholders would like it to be settled twelve months before; but it would not be in the interest of those going in for pastoral deferred payments, or smaller runs, to do so soon. The people who will take up these two classes of small runs are mostly sons of settlers. They make their money by hard work, and they would not care to pay their money to Government so long before obtaining possession. When the run is sold the purchaser has to pay down the first six months' instalment, if on pastoral deferred payment, and at least six months' rent if on lease. I think from three to six months would be a long enough interval in these smaller runs, to elapse between day of sale and day of possession.

67. Enough at any time of the year?—The leases fall in in March. The shearing on the runs will be in November. If you dispose of the run six months before, you give time for the present lessee to shear his sheep; and when he has them shorn, he can look about for a purchaser. If he gets the country again he needs not trouble; if he does not get it, he has six months to treat with the incoming holder for the transfer of his stock.

68. *Mr. Shanks.*] What amount of land adapted for agricultural settlement is contained in this two and a half million acres?—It is rather difficult to state approximately, without a little explanation, how much is land that is likely to be used for agriculture. 1,288,000 acres in the centre of the province are under 2,000 feet. One-third of that is flat land.

69. Is all this flat land fitted for agriculture?—The great bulk of the Upper Taieri Plain is; but I should not say that it is all agricultural land. It is all land that can be ploughed, but it is very thin. Without irrigation it is very uncertain whether a crop can be grown in some places. There is good land in the Ida Valley, and it can be ploughed easily. In the Manuherikia it is very shingly, improving as it goes back to the skirts of the hills.

70. In round numbers, what acreage do you think there would be of agricultural land—that is, how much arable land can be spared from the hill farms without destroying the value of the hills?—I have not taken the question up so minutely as to be able to state definitely; but I should say about 150,000 acres.

71. That would include some of these gravel-beds?—There are lines of this gravel running all through the plains, so you necessarily include some of the gravel-beds in any large block you may select. It is all fitted for agriculture, if you bring water on it. Without water these shingly flats, such as the Dunstan flats, are simply barren sandy wastes. With water it is extremely fertile.

72. We will come to the Maniototo Plain?—Pieces of it are very fine; but there, also, it is generally too dry. One block, the Sowburn, is naturally very dry and poor, but it happens to be taken up by miners who know how to bring water in. The finest crops of wheat and oats I ever saw were upon this ground, two years ago.

73. *Mr. Macandrew.*] What extent of land will be affected by the Naseby Water-race, on the Maniototo, when that water is available for irrigation purposes?—It would command fully half of the plain, and could be utilized over the intervening country between the base of the hills at Mount Ida and Naseby to the Taieri River.

74. *Mr. Pyke.*] Can you give to the Committee any information as to the effect of the running of stock upon the natural grasses of the lands of Otago, and the effect of that upon the stock-bearing capacity of the country?—It is twenty years ago since I first went over the country. Then it was remarkable for its variety of plants, that were appreciated by horses, cattle, and sheep. In particular, there was the anise plant, which stock were extremely fond of. It is very rare now; you find it in the mountain side where it is well protected; but the running of stock in a rough, indiscriminate way has eaten or trodden it out, and fires have further destroyed it. It is an annual, but is not now allowed to seed. One thing to be gained by having people in the country who will occupy it, in the future, is that they will fence the land properly, and give the country a rest, allowing the natural grasses to come up again. These grasses are not exterminated, they are only held in check. Another thing, very injurious in this roaming of stock, is that a great flock of sheep going along a steep hillside so damages the vegetation that it will take a year or two to recover.

75. Of the 100,000 acres surveyed for pastoral deferred-payment lands, how much has been offered for sale?—About 60,000 acres.

76. You spoke just now about the disadvantage to the country of having only a few individuals, such as shepherds, upon a large station. How do you reconcile your views of the necessity of residence upon land in smaller areas without insisting upon residence in larger areas?—The smaller areas are improvable. The larger areas are in the interior, where the mountains are 5,000 or 6,000 feet high: they are unimprovable by cultivation, but they are by careful shepherding, by studying the best time to keep the sheep on particular localities.

77. You speak of blocks twice the depth to the width. Some of this land would be improvable for agriculture?—You might mention any particular piece that is.

78. Surely some of the ten-miles depth country is capable of improvements?—It was the Lindis country I had in view, when I wrote about ten-mile depths.

79. Putting aside improvement of grazing capacity secured by fixity of tenure, surely some of it would be valuable for cultivation?—None of it would be. In a run of 30,000 or 40,000 acres, there

would be perhaps 300 or 400 acres where the runholder would grow a little oats, to feed his horses in winter.

80. I want to have it stated as clearly as possible why the witness thinks it so absolutely necessary there should be residence enforced on smaller areas, and why there should be none at all on larger areas. Is it not necessary the occupier or owner should reside on 30,000 acres as on 3,000?—The question that Mr. Pyke really wishes to bring out, I think, is this: why should residence be permitted by deputy on a larger area, but made compulsory on the owner of a smaller area? I explain that the object of residence on a smaller area is to have the country improved, where a portion is arable. The larger country is unimprovable in that way. The danger to be guarded against is this: that if we allow improvable country to be taken up in smaller areas by deputy, some capitalists, or association of capitalists, can take the whole side of a valley and work the country as it now is done.

81. You stated that about 150,000 acres were all that would remain of agricultural lands, after providing for working the hill country?—About that much might be set apart for future extension of settlement on a small scale.

82. Will you be surprised to learn that the evidence taken by the County Railway Commissioners showed that there were about half a million acres of excellent agricultural land, fit for settlement, in the County of Vincent alone?—I am very much surprised to hear it.

83. The population, you say, is a mere handful; are you aware there are no facilities for settlement?—I do not think the sparseness is from that reason entirely.

84. Has not every block of agricultural land opened been taken up?—Not all. Some of them are hanging still. For instance, there is a block close to Clyde, open upon agricultural lease, which was never taken up.

85. Is it not an effort, generally of years, to get a few thousand acres thrown open in that part of the country, in consequence of the amount of compensation payable?—It generally takes two or three months.

86. From the first application of the people till the time they get possession of it?—Probably a year sometimes.

87. *Mr. Bastings.*] Are you acquainted with the leases that have fallen in during the last few years?—Yes, generally.

88. What is the character of that land?—Chiefly very inferior.

89. And the way in which it has been relet you think has been judicious?—I think so.

90. Has the upset price fixed by the Board been a fair one, in the interest of the Crown?—I think so, generally. The Land Board have put up lands for which they received no offer; they had then to lower the upset. I think the better way is to offer land at a moderate upset, advertise it well, and leave its highest value to be fixed by competition.

91. *Mr. Shrimski.*] Do you think the Maerewhenua Run of 45,000 acres, at £500 per annum, is let at a reasonable figure?—I do.

92. With the railway running near?—The railway does not come within miles, and the Crown has the right of resumption, on giving twelve months' notice. The most of the country is high.

93. *Mr. Ballance.*] Should persons be allowed to lease more than one run?—I think a man should be allowed to take up as many runs as he likes.

94. Then what is the use of the survey?—The use of the survey is to bring the land within reach of the means of the average population of the country. If you surveyed it in large blocks it would only be within the reach of a few capitalists in Dunedin, but, surveyed in lots of 2,000 or 3,000 acres, you bring it within the reach of every one in the colony. A man cannot take up as much as he likes of improvable land; the memorandum provides for different kinds of settlement, according to the nature of the country.

95. *Mr. Shanks.*] This 150,000 acres, that you say is fit for agriculture, how much of it should be reserved for purposes of gold fields?—In opening the country for sale, or for settlement with contingent freehold rights, the utmost care will have to be taken to conserve the mining interests. Mining areas will have to be reserved here and there, and outlets must be carefully reserved for allowing tailings to pass. It is extremely likely that we will err in putting more land in freehold than will be beneficial to mining. It often happens on the gold fields that, when you sell or propose to sell a piece of land, it is discovered you are on the top of some mining lead, or it may be on the line where a future sludge-channel or tail-race is likely to come through. At this moment there are two important matters of this kind before Government; at Maerewhenua the miners are completely hemmed in; and there is trouble at Waikerikeri.

96. *Mr. Oliver.*] What is the intention of Government regarding the declaration of hundreds?—The various little agricultural blocks scattered over the country are to be included in a hundred, so that the people there, and those to follow, may have the right of pasturage.

97. But will you have 150,000 acres, after setting aside the areas for mining?—I think there may be, as necessarily, in some hundreds there will be, some grazing hilly land included so as to have suitable boundaries.

98. After making sufficient allowance of land for working higher country, how much can be excised for purely agricultural farms?—150,000 acres can be excised from the runs, and of that only 75,000 acres will probably be good agricultural land.

99. *Mr. Ballance.*] Allowing men to take up an unlimited number of leases gives a great monopoly to present runholders?—It has the effect of enabling them to hold the country in large blocks, as they do now; and in one notable case it is absolutely necessary it should be so. That is the Morven Hills country. Under the 2,000 feet line the strip of valley is very narrow, relative to the enormous block of country over 3,000 or 4,000 feet, and for several days during each winter it is all white with snow. We will cut this up into runs of 30,000 or 40,000 acres. The wisest course probably would be to cut it up in lots of 100,000 acres each, but I think it can be offered in 30,000 acre lots. But, observe well, if you had the absurd restriction in force that a man could only hold one run, you would very likely in this country have one or two men holding the lower country on lease, with the back country for nothing.

100. *Mr. Macandrew.*] Can no portion of this run be worked from Wanaka side?—It cannot be worked from Wanaka side. After you cut off the Hawea flat, as it is proposed to do, the country left rises abruptly to heights from 4,000 to nearly 6,000 feet, and then runs down in slopes to the Lindis, where the homesteads must be.

101. *Mr. Ballance.*] If one man by securing a section can command the other part of the country, what object is there in cutting it up?—This object: it is just possible that a man might have a piece of low country some miles off, drive his sheep up to the high ground in summer, and bring them down to a place twenty or thirty miles away in winter. That is done in other countries.

102. *Hon. Mr. Rolleston.*] And that will insure to Government that a man cannot get the run at his own price?—Yes and on each thirty or forty thousand acres of this high country there, it is possible under the 2,000 foot line to find room for a wool-shed and yards.

103. *Mr. Ballance.*] Does that apply to all runs?—This is an extreme case. The object is to induce as much competition as possible. The only chance of Government obtaining competition is that some person, having lower country, might think it worth his while to lease this high country for summer pasture, and in the season drive his cattle up. I could almost prophesy that this country will in future be held in one large run, as it is at this moment. But it can, however, be cut up.

104. *Mr. Pyke.*] Regarding the whole of the country from Leaning Rock Creek, following the course of the Clutha and Lake Hawea for fifty miles, and back from there to the Canterbury boundary, an area of 667,500 acres, according to Government returns—I include Morven Hills and Ardgowan—is it correct to say that all this land is in the hands of one firm?—It is correct, I believe, with the exception that the runs held by the firm do not go so far north as the Canterbury boundary, nor is the aggregate acreage so large, I think; still it is a very large tract of country to be held by one firm.

THURSDAY, 21ST JULY, 1881.

MR. JOHN EWING examined.

105. *The Chairman.*] You are a gold miner, the Chairman of the Maniototo County Council, and resident at St. Bathans, Otago?—Yes.

106. *Mr. De Lautour.*] The Committee, Mr. Ewing, are principally desirous of getting your evidence in regard to the localities on the runs proposed to be dealt with, which are auriferous, or which are capable of being worked by miners, with the view of deciding what portion of country should, and what portion should not, be alienated by sale. Perhaps it would be as well to take first the country that you most particularly know, taking it by its physical features, or, if you should prefer, run by run, and describe the nature of the localities where the ground is now being worked. You might also state what ground, in your opinion, is capable of being worked by the water that is available. Suppose you begin at Kyeburn corner, at the Taieri Lake, at the entrance to Maniototo Plain, and then work round?—I should prefer rather to give my opinion by the aid of a reference to the physical features of the country than by the aid of boundaries of runs. In the first place, I may say, that the whole country is more or less auriferous, and that it is very hard to define limits within which you may expect auriferous deposits to be found. One well-marked rule however, should, I think, be distinctly laid down: that is, that all the mountain ranges and isolated hills in the county, the isolated rocky ridges, should be understood to have round their base a strip of probably auriferous country. Around most of these mountain ridges gold in greater or lesser quantities has been found, and in most of them gold workings of a greater or lesser extent now exist. The only exception to the rule I have stated is that of the Kakanuis, from a point behind the Kyeburn Hundred till you get outside the boundaries of Maniototo; so far as I am aware, no gold has been found in the mountains in that locality, but from Kyeburn Hill, along the northern boundary, gold in greater or lesser quantity has been found. On the very summit of the mountains at Clarke's there are rich and extensive workings; the production of gold from that quarter is only limited by the supply of water; the workings are at an altitude of more than 3,000 feet. The watershed of this table-land drains into the Waitaki; and care will have to be taken that an outlet on the Waitaki side be preserved, or a similar difficulty to that existing at Maerewhenua will arise. Following along, we come to the workings at Naseby. I am of opinion that it would be well to have a large mining reserve at Naseby, so that the difficulties which have arisen between squatters and miners might be obviated. Mr. Barron will be able to inform the Committee on that point better than I can, so I need not enlarge on the subject. But I take it for granted that the mining reserve is made for the purpose I mentioned, and is not to be understood to include the whole of the auriferous land in the vicinity, as the whole of the land between Naseby and Kyeburn is quite as worthy of being reserved for mining purposes as this would be. Following in a north-west direction along the Hogburn, gold has been found in various places; and it has been estimated by prospectors that it would pay from 30s. to £2 per man per week. But there are no workings there, as the water is better employed elsewhere; the whole of this country is commanded by the Government water-race, which is sixty-five miles long, and heads from the Manuherikia River. There are gold workings at Hills's Creek. In my opinion the whole of the country between the main road from Naseby to Hill's Creek, and the summit of the mountains, would require to be dealt with for mining purposes. It would not need to be reserved for mining purposes, but should be kept as probably auriferous land—land that ought not to be sold. I mean all the land above the main road from Naseby to Hill's Creek. The same course should be also adopted with all the land above the main road from Naseby to the lower Kyeburn diggings, and across from the Kyeburn lower workings to the Kakanuis. The whole of the northern corner of the county, starting from Blackstone Hill, where I left off before, is more or less auriferous. Gold has been found in various places; and there are immense deposits of coal. Almost every stream, in every part of this country—the watershed of the Manuherikia—reveals the existence of seams of coal. It is lignite of good quality; and in the neighbourhood of many of the seams gold has been got. Some of the seams are of great thickness. I speak now of the Upper Manuherikia Valley, between St. Bathans and the Hawkduns. Crossing Mount St. Bathans, to the watershed of Dunstan Creek, I come to a more important strip of country than any I described since referring

to Naseby—namely, a wide belt of country extending from the Dunstan Creek in its upper portion to the Leaning Rock, and which line may be drawn nearer to the hills the more we proceed downwards. The mountains in the north come close to the creek, but the agricultural country widens out in the flats and valleys towards the south. The strip to be reserved might leave the Dunstan Creek at a point a little below Cambrians, and strike across under Drybread, and Tinker's, towards Clyde, leaving out the greater portion of the flats, and following the mountains to the Leaning Rock. The gold deposits, wherever worked at present, along this belt of country along the Dunstan range, appear to be richer than those in any other part of the country, and gold has recently been found in several places where it was thought it did not exist. This belt would extend to and behind Spottis Hundred to Leaning Rock. With regard to the isolated ranges in the county, the upper portion of perhaps the Blackstone Hill, from the road at Hill's Creek down to the Poolburn Gorge, is auriferous, though in a piece of the lower portion of it there are no workings, but gold has been found in different parts. There have been workings about half-way the distance down to the gorge, to below the woolshed.

107. Have not reefs been found there?—Reefs have been found, but nothing has been worked. They could not get stone in quantity sufficient to warrant them in putting up machinery. The difficulty, of course, is this: that you can define a piece of country that is auriferous, in which gold has been found in different parts, but it is utterly impossible to say whether it is payable or not. There is scarcely a single working in the Maniototo now that people could say was payable auriferous ten years ago. So that if you part with all the land that cannot now be proved to be payably auriferous you will stifle mining in a few years, when all the ground now in occupation has been worked out.

108. Roughridge will be next in order, I think.—In the country lying between Idaburn and the Wedderburn, gold has been found in different parts upon this ridge, from the main road at the northern end, and above the main road. Gold has been found at different points on both sides of the ridge; but the only workings now in existence are those of the Garibaldi diggings on Maniototo side, and a few miles away—on Vincent County side—at German Hill, where there is an extensive area of auriferous country; that country is in the line between Gimmerburn Gorge and Poolburn.

109. Which is the portion of that locality which is so rich with indications of reefs?—The upper portion for a few miles below the road, that is being worked at the present time. A number of parties are prospecting; and some of them are getting out stone with payable results. There is a quartz-crushing mill in operation, and the whole of this country is supposed to be rich in reefs. This place is the scene of the Ida Valley Quartz Company's operations of some years ago; they crushed some thousands of tons of stone, and it is supposed that the reefs would have been payable under proper management. At all events they got between 2,000 and 3,000 ounces of gold. I think it would be advisable to reserve the greater portion of this Roughridge. There is a strip of country extending south of Roughridge, a continuation of the Roughridge, and which goes outside the county and into Vincent. Gold has been found at different points upon this ridge; it has been found on the faces of Ida Valley; and workings exist at different points—at Maori Gully, and the upper part of the Ida Burn, and in various gullies along there, towards, above, and beyond the Ida Valley station.

110. Beginning where the Taieri leaves and the railway line enters Maniototo, you started with the Kakanui, which you said were non-auriferous. Would you now come back to that point, and deal with the southern portion of the county?—I will proceed in that way. I may speak of the Rock and Pillar Mountains, that fringe the valley of the Strath Taieri on the western side. Gold has been found at different points; the principal gold workings in this part of the country are at Hyde, but gold has been found at different points below Hyde. Quite recently there was a rush, but not to any great extent, between Hyde and Main's home station, about three or four miles below Hyde. Along the Taieri River itself gold workings exist, below Hyde, down to the county boundary; and below the boundary, at various points, there are some parties of men at work along the river. Going above Hyde, although the country has been pretty well prospected at various times, no payable gold has been found between that and a point within a few miles of Hamilton's. From the formation of the country I do not think there will be any necessity to except that portion; it is land fitted for pastoral deferred payment settlement. But a strip about three or four miles in length below Hyde may be reserved for mining; at all events it should not be sold outright. Then, from a point a few miles east of Hamilton's, that is, from beside the end of the Taieri Lake on to Hamilton's and Sowburn, a broad belt of country along the foot of the hills, and up the mountains, would require to be reserved for mining purposes. The land I speak of is not the best agricultural land, but the best would be in front of it, on the low hills and flats. The only part of the country that remains to be spoken of is that comprised in the Serpentine Riding, the upper reaches of the Taieri. Here and there, over all that extent of country (the Serpentine) gold has been found, and in isolated corners miners are at work. This country is mostly high, mountainous, and broken, very much unsuited for agriculture, and I think a great portion of it may be reserved for mining purposes, or, at least, Government ought to refrain from dealing with it—I mean it should not be alienated. There is a belt of country along the Taieri that may be reserved for future agricultural settlement; the major portion of the country may be reserved without any injury to settlement.

111. We will go back, and now refer to the flats and plains, taking our starting point from below the lake, where we go into the country?—To what extent do you think the plains might be alienated for settlement or pastoral deferred payments, without interfering with the auriferous country?—I think the whole of the Strath Taieri, with the exception I have stated, and the auriferous strip along the river, the whole of the Maniototo Plain, and Ida Valley, and the other flats running into the Maniototo. A wide strip along the Manuherikia River, from a point where the valley opens out below the workings, in the vicinity of Cambrian's and St. Bathans, might also be dealt with for settlement; but near the mountains, as I have stated, the land should not be alienated. Some of the land along the Manuherikia, between the river and the Dunstan Mountains, is good agricultural land, and, in the opinion of some able to form a judgment, is believed to be the best land in the district; and the best of it has yet to be opened up.

112. How about mining outlets? If you sell all these lower lands, what is the good of reserving the parts above them?—There is little use in reserving auriferous belts of country if you do not also reserve the right of running tailings down the gullies which serve for outlets. In the system on which mining is almost universally conducted throughout Otago now, very small quantities of gold from a given amount of stuff will pay, if only the body of alluvial drift that contains this gold is of sufficient altitude to get a fall from the workings, and so allow the gold to be extracted in transit. In many places deposits are being worked, where only two or three grains of gold to the cubic yard of material treated is obtained, and that pays handsomely, while twenty times the amount of gold would not have paid under the old system. For that reason, the prospecting done twelve and fifteen years ago is now of little value. Plenty of localities were prospected then, and pronounced not to be payable, which, if worked now, would pay handsomely. But the quantity of gold that can be worked at any one time is limited to the quantity of water that is available. Nearly all the streams have been tapped, and are used to work auriferous deposits. It may be said that, in reserving outlets through the low lands, a great deal will require to be reserved, and that a great deal will be injured by tailings. That is a fallacy. The tailings, as a rule, remain in the vicinity of the workings: they deposit themselves no great distance off. The miners get rid of them as quickly as possible; and in most instances the nearest place is the best place to put them. At Naseby, they certainly have to be carried a distance of eight or nine miles from the workings, but then they are deposited on wide gravel flats, and only a very small portion of them reach the river. But in most cases tailings are deposited near at hand, and only dirty water finds its way down the plains. However, in my opinion, strips will require to be reserved along the creek-beds, to the extent of from one to several chains in width. The width would depend on the extent of country to be served by the outlet, and the fall of the watercourse along which the reserve was made. It is not to be supposed that all this land would be actually required; but, in order to have outlets, it is necessary that it should be reserved. I may illustrate that by reference to the block near St. Bathans. At the request of the inhabitants, a block of land for settlement was laid off near St. Bathans, between Dunstan Creek and Manuhierika River. At that time it was known that a little gold was got on various parts of the block, but nothing payable. The block was thrown open; 9,000 acres were surveyed, and 5,000 acres were immediately opened for occupation, and 2,000 acres were taken up. That block was thrown open between two and three years ago, but, quite recently, miners found payable gold in two localities, and there is no reserve made along the valley which forms the outlet. Although gold has been found at different points, it cannot be worked into the creeks closest to it, but must, from the configuration of the country, be worked in other directions, in all cases over an extent of many miles, through the blocks I have spoken of. Such a case might have been supposed very unlikely to occur; because those who agitated for the opening of the block were miners, who, had they thought it likely that payable gold would be found, would have asked that a reserve be made along the creek.

113. There would be no necessity for depriving those who took up land from the use of the whole of the land extending down to the creeks, only the right should be reserved in the Crown over a certain portion, near the margin of each creek or other outlet?—Yes. The use of the land need not be withdrawn at all from the person in occupation of the adjoining property.

114. *Hon. Mr. Rolleston.*] It is possible, still, that the deposit of tailings in creeks might affect land for chains on each side, by damming up the water and causing it to leave the channel?—In certain cases it would. Such reserves as I recommend have already been made, mostly in cases of pre-emptives applied for by runholders. For instance, the pre-emptive of Run 226, applied for by Messrs. Handyside and Roberts, was applied for over an area about two miles south of the existing workings at Cambrians, near St. Bathans. After considerable difficulty, the Warden prevailed upon to make a reserve of two chains in width through it. This pre-emptive actually included gold workings, but it was impossible to prevent the application from being granted, as proof could not be adduced that it contained “payable gold.” Had this pre-emptive been applied for over another area, two miles on the other side of the workings at Cambrians, no better proof could have been adduced that it contained payable gold. They could have applied for it in a position which would have been just as favourable to the granting of their application; they might have had 600 acres, and, of these, 100 acres would have been worth an average for gold-mining purposes of £400 or £500 per acre, and they could have stopped all workings in the locality Vinegar Hill, Vinegar Flat, and other auriferous deposits in the neighbourhood, could all have been comprised in 600 acres of pre-emptive.

115. Then, I understand, your recommendation is that all streams running from the base of the mountains should have strips of reserves made along their banks?—Yes.

116. If legislation were possible which would bar all claims in respect of riparian rights, would you still recommend the reservation of these strips? The object of my question is this: Would not the value of ground for agriculture be very much deteriorated in the eyes of settlers by reserving these strips?—I am of opinion it would not be deteriorated one whit. They would know that in most cases the strip would not be required: they would practically get the use of it.

117. Would not such reserves be in the nature of highways, of such a character that, if any man chose to be cantankerous, he could compel the owner of the adjoining lands to pull down the fences enclosing the reserved area?—They could be leased to the person whose land they adjoined, which would prevent the occurrence of such annoyance; they could be let, and the adjoining landowner could have the prior right to them.

118. *Mr. De Lautour.*] But would not the right to enter be necessary, in order to allow miners to clear channels and make repairs?—Only the right to deposit tailings should in the first instance be granted; and there would be no need to give the right of entry till the reserve was used, and the right of entry necessary.

119. Might it not be necessary in some cases to grant such right, to prevent injury to adjoining lands, and therefore to give permission to enter in order to construct small protective works?—Certainly. Wherever a course is used as a tail-race it would be necessary to straighten it, to cut it through points, so as to make it carry off portion of the *débris*—a greater or less portion according to the nature of the workings, and the distance at which they were situated.

120. *Hon. Mr. Rolleston.*] Would you say, from your own experience, whether any considerable difficulties in adjusting matters, as between miners and riparian-right holders, have cropped up?—There is the Maerewhenua difficulty, also the difficulty that arose at Tinker's. Difficulties have not arisen in Maniototo, because no great area of land has, in a position to interfere with mining, been sold, and, where it has, miners and miners' associations have been, generally speaking, successful in having such reserves as I speak of made.

121. *Mr. De Lautour.*] With regard to Kyeburn, is not that district rich in gold deposits?—Yes; the country along the base of Mount Ida Range is country which I recommend it would not be advisable to alienate, because it contains gold, and certainly in payable quantities. The place is also rich in coal: in fact, throughout the county, the coal and gold go together. In almost every claim there is, either within its boundaries or not far away, a seam of coal. The pits of Kyeburn, Idaburn, and Cambrian's supply the whole county. The population at Kyeburn is entirely supported by mining, so is that at Naseby, at St. Bathans, and Hamilton's: in fact, this county may be characterized as a mining county; it is the only, or almost the only, industry pursued within its boundaries.

122. You spoke of the system of mining carried on in the old days: would you state how mining is carried on now, and the amount of capital necessary?—In the first place, if gold is found in payable quantities—and these are very small quantities—if the auriferous deposit covers a large area, and has sufficient depth, head-races have to be cut. Tail-races have generally to be cut, and in many cases an expenditure of thousands of pounds is incurred before any gold is obtained. I think I should be within the mark if I say that within the St. Bathans Riding an amount of capital equal to at least £500 is invested for every miner at work.

123. What plant do you use?—The old system of pick-and-shovel work was first displaced by canvas hose, and that, in its turn, has given way to iron pipes. In almost every case, hydraulic mining is now carried on by iron pipes. Most of them have been made in the district of late years, though previously they were obtained from Dunedin. In the workings carried on by myself, I use iron pipes to obtain pressure. They cost £1,100, and those of other companies cost nearly as much. We use the water at a point 250 feet below its storage level, which gives a pressure of 120 lb. to the square inch. We use no canvas whatever. That is the character of the improved workings. Of course that system is not pursued in every claim; but in many cases, where poor results have been achieved, returns more satisfactory might be obtained if those carrying on had sufficient capital to employ improved appliances.

124. You might give the Committee a general idea of Vincent County, as far as you know of it?—Of Vincent County I am loath to speak, because I cannot speak to a certainty. The principles I have laid down are the same, namely, that the bases of the hills are where the auriferous treasures exist; and the principles in regard to isolated spots are the same also. I have said that a strip should be reserved along the slope of the Dunstan Mountains in Maniototo County; and I believe the same remark will apply to the slope on the side of Vincent County.

125. How far has existing settlement in Maniototo County succeeded, and what markets have the settlers? Are they dependent on the miners for a market, or otherwise?—All agricultural settlement that took place till a few years ago succeeded very well. With regard to that which is now taking place I am in doubt whether I can express so favourable an opinion. I am afraid that, if the new settlers have to be dependent upon the local markets hitherto available, they will be very poor indeed. In old times, those who went in for settling upon land did not need capital. They had very little capital, they managed with the credit they got; high prices ruled, and they speedily made for themselves an independent position. I know men who took up land near Beck's, they are now worth several thousands of pounds. The same way at the Idaburn: men without capital have acquired very good positions, but they were able to get 4s. per bushel for their oats for horse-feed. There was such a difficulty in getting land opened that those who got land first had the market to themselves, but now far more produce is raised in the district than can be consumed locally.

126. But cannot they do better if they had a greater number of stock and increased grazing facilities around their block?—Many of them are turning their attention this way, but they have not the land.

127. Do you think, in dealing with those runs on the plains, that those settlers already located in the district should get a grazing right?—I am of opinion that it would be desirable, as proposed by Government, to declare hundreds around existing blocks, and also am of opinion that it would be desirable to make mining reserves of even larger extent, for the purpose of putting an end to all difficulties between runholders and miners. I am sure no great loss to the revenue would result from doing so, and the great benefit from it would be that it would help to settle the mining population on the land within the vicinity of their workings; because upon a mining reserve a miner could take up land till required for working, and if he only exercised a little discretion—prospecting the land before he commenced to crop or improve—he might have a block of land that he could improve with safety, and which would be as good to him as a freehold: he would have it under one year's notice. Naseby, St. Bathans, Hamilton's, and other mining centres have no grazing rights now, so that any cows or horses that the people require to graze are depastured on sufferance.

128. Do you think that is right?—I am aware of cases in the locality where persons wanting to fence in three or four acres have been refused by the runholder.

129. Do you think grazing right could be given to those communities in the vicinities of their respective centres?—Those mining reserves might be dealt with by County Councils under the regulations, and be made to serve all the requirements of the mining community.

130. *Mr. Bastings.*] Do you not find that pastoral rights, instead of being to the benefit of the miners, are very often monopolized by cattle-dealers?—I should think that is very likely to occur, but we have not had the chance of it in Maniototo, having had no depasturing system of benefit to the miners.

131. Do you not think that in the regulations a maximum number of cattle should be specified for each individual?—Yes; I have heard of a difficulty like what you alluded to occurring elsewhere.

132. How many heads does the Government water-race carry?—The quantity varies according to

the season. They do not send down a stream equal to its full capacity, but they allow it to carry about equal to twenty-five Government heads.

133. Is it much used?—Yes.

134. Is it under a Board of control?—It is under a Trust; I am one of its members.

135. Is it it used at all for mining on the road between where it takes its rise and down to Naseby?—It is not. It has been used, but only for prospecting in two or three localities intervening between its source and Naseby. So far payable gold has not been found, but we are strongly in hopes that ground worth working will be discovered. It is a very long strip of country: the race is sixty-five miles in length. This water will be available for the whole of the Maniototo Plain for the purposes of irrigation.

136. *Hon. Mr. Rolleston.*] Is gold-mining carried on on freehold now to any extent?—I am not aware of any case in the county of mining on freehold.

137. The sales up to the present time have never interfered with the mining interest in this respect?—They have not.

138. Have you any opinion of what the effect would be supposing lands were alienated on which gold deposits existed?—The effect would be to deprive those who were most likely to work the ground from being able to do so. I think the ground would not be worked at all.

139. Has not the privilege of running a certain number of cattle been abused to some extent, and have a few not been running a large number of cattle while the inhabitants of the towns, who were intended to have a limited number each, have practically had no advantage?—Yes; I am aware that individuals have had great numbers of cattle running on country that they had no right to.

140. *Mr. Bastings.*] But they never had the facility of running cattle in your county?—They never had, but that has not prevented people from having cattle.

141. *Hon. Mr. Rolleston.*] A great many cattle have been kept on runs by cattle-dealers?—Yes. The good nature of certain runholders or managers has been imposed upon. Indeed, in some cases, hundreds of cattle have been kept upon runs in this way.

142. You have read the propositions of Government about cutting up the runs?—I have.

143. What is your opinion of the advantages of proclaiming hundreds in these flats—do you think that the proclaiming of hundreds around the blocks of land that have already been sold would be advantageous?—It would be advantageous. One benefit it would have would be to allow land being gradually taken up by the present settlers, thus giving them an opportunity of increasing their holdings from time to time.

144. *Mr. Macandrew.*] How many years have you been resident in the district?—Nearly eighteen years. I know the locality very intimately.

145. So far as I understand the gist of your opinion it is this: that there ought to be a large mining reserve at Naseby, a reserve from Naseby to Hill's Creek, from Naseby to Lower Kyeburn, and from that to Kakanui?—I do not say there should be a mining reserve from Naseby to Hill's Creek. I say the land in the locality, being probably auriferous, should not be alienated.

146. Have you any idea what number of people could be supported on the Maniototo Plains if they were cut up into agricultural areas, and the water-race brought to bear for purposes of irrigation?—My opinion would not be valuable on that point. I have never gone into the calculation.

147. *Mr. De Lautour.*] There is a distinction which, perhaps, might be brought out more clearly between areas proposed to be set apart as mining reserves, and other areas which it is proposed not to set apart, but which are not to be alienated—I understand you to say there are areas which you do not want to have made mining reserves, but which you think should not be alienated?—Yes.

148. Then, as to outlets, it will not be necessary to reserve them, but they should not be sold?—Yes, that is correct.

149. *Mr. Shrimski.*] In answer to Mr. De Lautour, you stated you knew little or nothing about the Maerewhenua?—I have been there. I have seen the workings, but it was merely a passing visit some years ago.

150. *Mr. Macandrew.*] Are you of opinion that mining and farming could be combined to a large extent, if the regulations were suitable?—I believe that, if encouragement were offered, nearly all the money made at mining—and that, in many cases, is very considerable—would be expended in improving the face of the country. I have long thought that, if that were done years ago, when the country was tied up in leases, which still exist, the face of the interior would present a different aspect to what it does now. In my knowledge scores of diggers went home to Britain with money. They did not go because they could not obtain land, for they had no idea of settlement; but if the land had then been open, and one or two had settled upon it, the example shown would have been followed, and nearly all these men with money would have gone on the land. As an answer to your question, I may instance Clarke's: this gold field is situated above the winter snow-line, and for nearly half the year the miners cannot work their claims. They come down to live, and in their spare time might be improving a holding.

151. Would there be any objection on the part of miners to acquire the freehold of their claims?—I am afraid so. The present regulations requiring work to be done have been evaded, and to my knowledge claims have been held for eight or ten years without anything being done to them.

Mr. DAVID BARRON, District Surveyor, Mount Ida, examined.

152. *Mr. De Lautour.*] You have heard Mr. Ewing's evidence as to the localities where auriferous areas possibly exist. Without going over it all again, do you think that is correct?—It seems to me to be all correct.

153. Can you suggest anything that is omitted?—He has mentioned everything. We talked over this matter before, and agreed what, in our opinion, should be done. I have had an opportunity of seeing the maps referred to in the evidence before the Committee met to-day.

154. Then, perhaps, your evidence may be more valuable if we approach the plains that may be dealt with for settlement?—Before you take up that matter I would say that there is one point in

Mr. Ewing's evidence which needs correction. He did not make the belt from Naseby across Kyeburn extend far enough. When he said that the belt should extend from Naseby across Kyeburn to the Kakannuis, I should say that it should extend from Naseby across Kyeburn to the northern boundary of the Kyeburn Hundred.

155. With regard to the Kakannuis Mr. Ewing seemed to think that they could be used for small pastoral areas: could they be cut up so as to be of advantage to settlers in Kyeburn Hundred?—I think they would be of benefit to those settlers. They could be cut up in areas of from 1,000 to 3,000 acres, taking for boundaries the natural features, either ridges or creeks.

156. Would the settlers be much benefited by getting the opportunity of taking up these small pastoral areas?—Very greatly; in fact, they are very anxious to get these pieces of pastoral land, some of them find difficulty in subsisting on the smaller areas lower down. Some of the settlers who are limited to a deferred-payment section find that it is too small for agriculture; they cannot live on such small areas, when they have only the facilities of disposing of their produce afforded by the local market.

157. How do you think it would be best to treat the Maniototo Plain below the auriferous belt that Mr. Ewing has referred to: let us start at the Kyeburn?—In the first place, I would suggest that two hundreds be taken out of it immediately on the expiration of the leases. A hundred around Naseby, immediately below the mining reserve, to be laid out of about 10,000 acres; this would adjoin a 5,000-acre block on Stuart and McKenzie's run, 206A, and also two smaller blocks, Run 219. The other hundred would be probably on 222 and 225, starting on the northern side of the Gimmerburn Block, extending along the road passing Rollands' station, and north by the Wedderburn to the main road; thence along the main road to Eweburn; and southerly along the Eweburn to join Chapman's block, between the Pastoral Company's station and Chapman's station.

158. Would you have it to extend to the Taieri?—No, I would not take it so far down, because there is a belt of poor country there. This would secure the right to the pasture of the hundred to the Gimmerburn and Eweburn Blocks settlers. This hundred would be on Run 222, and partly on Run 225, and would be about 21,000 acres.

159. Would that give any facilities at all to the Sowburn people?—No; but there is a block to be laid off between the township of Hamilton's and the Taieri River, extending from that to the Sowburn, and, as portion of that block is not well adapted for agriculture, the probability is that it might be made a hundred. The extent of this is between 5,000 and 6,000 acres.

160. Then following the Taieri to its sources, what would you propose?—I think that the country, although what might be termed agricultural country, will not be required for some considerable time, and that before the blocks are thrown open for settlement it might be well to have them re-leased for short periods in smaller runs. That applies to all the country to the head of the Serpentine. It can be re-leased till required for settlement.

161. Then, as to the Ida Valley?—I suggest that a hundred be laid off along the Ida Valley, extending from the main Dunstan Road along the valley to Poolburn, keeping sufficiently far from the foot of the range so as not to interfere with mining, and making, where necessary, reserves of a few chains in width for mining outlets. Their width would depend on the creek beds. Such reserves have been made in nearly all existing blocks. In the Blackstone Hill Block a difficulty exists, but that was because miners at the time were not sufficiently alive to the fact that outlets were required, and they had to go to a considerable amount of trouble, and Government to a considerable amount of expense, in having these outlets surveyed from time to time.

162. Is the principle adopted that outlets are as a rule not preserved, unless the miners agitate and point them out?—No; but Government was not, in the instance of the Blackstone Hill Block, aware of the necessity which existed for having these outlets, and consequently the surveyor did not go to the trouble of laying them off.

163. Are there no standing instructions given by Government in regard to outlets?—I do not think there is any instruction; but it is an understanding that outlets be reserved.

164. Then a great deal depends on the surveyor's knowledge?—Yes; on his local knowledge.

165. *Mr. Rolleston.*] Would he not be failing in his duty if he did not point out the necessity of making a reserve of the kind?—Yes, certainly

166. *Mr. De Lautour.*] Do you think there would be any practical obstruction to settlers if a hundred of these outlets recommended by Mr. Ewing were reserved?—No; at least not to any great extent. If there were a reserve of several chains in width there would be free right of grazing over it. As a rule settlers fence across these reserves, and so have a free right to graze over a few acres more than they purchased. Settlers would not be retarded from taking up land by the knowledge that they would not have the right to the banks of the creek: the only difficulty is that of allowing them sufficient pure water for domestic purposes. Taking the case of the Gimmerburn Block lately laid off: mining at Garibaldi has gone on for many years; the creek at Gimmerburn has silted up, and the settlers there have that difficulty, and it occasions them inconvenience. The Government race, however, would command all these blocks, and water could be very easily stored on the plain owing to its natural features.

167. You are well acquainted with the Maerewhenua side. Can you explain the effect which Pringle's section there has of obstructing the outlet of the mines? I want to get an example before the Committee of how one small alienation may, to a degree, block a gold field. Does not Pringle's lease go right across a mining outlet?—Yes; a main gully runs through this section of Pringle's, and he can demand anything he likes for the right to mine there, or, rather, run tailings through his land.

168. And he has demanded it?—I believe he did stop the miners for a time because they did not pay sufficient.

169. It is in his power to levy blackmail from them?—Yes.

170. And have not Campbell, and Borton and McMaster the same right?—Yes; but Mr. Campbell has sold a portion of his freehold, and has given the miners outlets to work it. He sold a portion or mining purposes. The purchasers have the right of outlet into the Maerewhenua.

171. Are you familiar with the case which occurred below Tinker's on Glassford's run?—No; it is outside my district.

172. Forgetting for the time about mining, how would you deal with those hills. Take the Rough Ridge, supposing it was to be subdivided?—I would reserve the northern portion and subdivide it into pastoral lease areas, and for seven or eight miles further down subdivide it into pastoral deferred-payment areas. This would take up the country as far as Garibaldi and German Hill Diggings on the other side. Around those diggings I would deal with the country on pastoral lease, and from that down to the Dunstan-Rock and Pillar Road I would divide into pastoral deferred-payment areas.

173. And how many holdings would you get?—There would be about twenty holdings between the Rock and Pillar and the Dunstan Road. There are only three now

174. The same principle would extend to the other hills?—Yes.

SATURDAY, 23RD JULY, 1881.

Mr. DAVID BARRON, examination continued from 21st July

175. *Mr. De Lautour.*] We had pretty well discussed the plains, and had your view as to how they should be settled. Commencing at the Taieri, at its entrance to Maniototo, going through them, and ending at Serpentine, we then began to talk about how the hill country could be cut up?—I forget whether my evidence referred to the large plain in the Serpentine Valley

176. No; you merely said that the upper reaches of the Taieri, whilst classed as agricultural land, could not be utilized for some considerable time?—Quite right. It lies at a considerable altitude, has a cold aspect, and will not be looked after for settlement for years—not until the better lands in the plains are occupied.

177. We had your views about cutting up pastoral country. I think you could perhaps enlarge a little upon that subject. We had taken the Rough Ridge as an illustration, and you had shown how it could be cut up?—Of course, all the pastoral country along Mount Ida, Hawkdun, and St. Bathans Ranges will be subdivided into pastoral areas. It is all more or less auriferous, and consequently must be dealt with so that miners can have access to it. It ought to be subdivided into smaller areas on pastoral leasehold only

178. Take the country from Kyeburn to St. Bathans, to Morven Hills, how can that be cut up? Is there not an enormous area on the top, above the snow-line, and extending over to the Waitaki?—I should think that upon the Maniototo side it would be well to run up to the crown of the range, leaving the water-shed of the Waitaki to be dealt with from the Waitaki side.

179. Would it be practicable to fence along the top?—Yes; the only danger is that heavy snow in winter may break down the fences. They could, however, be repaired every year after the snow had disappeared. I have been along these ranges, and know pretty well they could all be fenced.

180. Then, how would you cut the areas from the base—how would such a tract of country be cut up?—In trying them the other day I found they would have to be subdivided into areas of from 20,000 acres to 10,000 acres—nothing less. In the case of the Hawkdun Run they would require to be larger. Commencing on the Manuherikia and extending to the Kyeburn Hundred, they would vary from 10,000 acres to 18,000 acres, and could not be worked in lesser areas than these.

181. Is that the case of the greatest amount of depth from the base on the plain to the top of range?—Yes. You must also be influenced by the natural features, otherwise you will make a subdivision very expensive to work. But, taking into account the natural features, and the great distance from the road-line to the crown of the range, you cannot have the subdivisions in smaller areas. Where you can give and take for fencing, you may for boundaries follow a creek; but, where the creek is rough and rocky, it is as well for the dividing line to follow the crown of the ridge. A great many of the runs now have subdividing fences. The Mount Ida Water-race forms a very good fence for dividing the hill country from the low country, and so will make fencing come cheaper—not as dividing between one leasehold and another, but a boundary by which the leaseholder can partition his winter country from his summer country. The race is not fenced, but sheep cannot cross. Coming down to Run 228, it may be subdivided into two runs only, because the best part of the low country has already been taken off for the St. Bathans Block of 9,000 acres. 228 is known as Hawkdun Station.

182. What is the depth through from St. Bathans to the pass at the head of the Hawkdun Run?—I cannot answer that. It is very high, cold country. At the junction of the two rivers (the east and west branches of the Manuherikia) the valley must be about 2,400 feet above sea-level. I have often tried to find how this run could be subdivided into smaller areas, but there does not seem to me to be any feasible way of doing it.

183. We shall go back to the Kakanuis, at the Kyeburn Hundred. You stated generally in your evidence that they could be cut up. What areas would you propose to divide them into at the back of the Kyeburn Hundred?—From 1,000 acres to 3,000 acres. It would be well to subdivide them so as to suit some of the people of Kyeburn already settled on small farms.

184. What about the Hyde Run—Main's old run—from a point across from Hamilton's?—I would suggest that all the country lying partly on Run 204, as well as to the east of Hamilton's and right down as far as the Capburn, be subdivided into deferred-payment pastoral areas. It is admirably adapted for that purpose, because it can be subdivided into very small areas of 1,000 acres or so, and because each section would have within its boundaries perhaps 100 acres or 200 acres of very fair agricultural land.

185. With regard to Run 205?—Taking 205 after passing the land already surveyed and settled, you get into the educational endowments. I think it would be well in any case to have 205 cut up into pastoral deferred-payment areas: in fact, this could be done all the way from behind Hyde, down to the Deep Stream on both sides of the Taieri River, except where mining occurs.

186. Would it not be more advisable to reserve that country for a year or two till the railway went through and the flat was settled?—Yes; I do not know whether I mentioned that before in my evidence; I do not think I did. I think it would be better not to throw all into the market at once;

I think it will be well to re-lease portions for one or two years, and so bring it gradually into the market. There are not sufficient people in the country now, nor enough of the right class, to take up and work all that land properly.

187. Then the Maniototo face, above Sowburn—it has great depth—how could that be worked?—Taking Run 204, it could only be divided into three pastoral leases. I think it would be unwise to dispose of any of this country in pastoral deferred-payment areas, because the extent of its auriferous tracts has not yet been developed. It would be a pity to lock it up until still further prospecting has been done.

188. *Mr. Macandrew.*] What size would run 204 give if divided into three?—About 10,000 acres each. That would leave all the lower portion of the run to be used as agricultural land.

189. *Mr. De Lautour.*] Run 248 is high country?—Yes.

190. What could be done with that?—It could be subdivided into not more than two leases. I think there will be great difficulty in dealing with that on account of the unusual extent of high country. The back is very much away from the sun: the aspect is very cold. It is known as Dr. Buchanan's old run.

191. I suppose that is a class of country that settlers in the district would not apply for?—No; I do not think they would.

192. They would take low-lying ground, like Blackstone Hill, first?—Yes.

193. Then, if Run 248 were cut up and offered in two or three blocks, there would be no applicant for it, in your opinion, except the present holder?—I think not.

194. *Mr. Shrimski.*] What is your opinion in regard to those runs on the Waitaki?—I think they will all have to be subdivided from the Waitaki side.

195. You are acquainted with the Maerewhenua or Livingstone gold field?—Yes.

196. What is your opinion of that gold field?—It might prove a payable gold field in the future, with sufficient water. The greatest difficulty is the want of water.

197. Do you think, if enough assistance were given to the mining industry, that it would be a prosperous field, and lead to the settlement of a number of people?—Yes; if they could possibly bring in some of those larger rivers it could be very profitably worked.

198. Can you assign any reason why the Maerewhenua Gold Field has not been so prosperous?—Yes; the want of water.

199. From what cause does this want arise?—The inability of the present population to bring in water. There is not sufficient capital in the district.

200. Does not the difficulty about outlets also impede the gold field?—To a certain extent it does.

201. *The Chairman.*] Is there any other matter to which you need refer?—One point I would like to mention: it is about those mining reserves. My object in doing so is this: there has always been great strife between runholder and miner as to allowing a few head of cattle for each miner to graze upon a run. I think if these reserves were laid off it would prevent this continual strife; the squatter would know exactly the extent of country he would have to work, and not be bothered by the miner, and the miner would know exactly on what area to run his few cattle. If from 6,000 acres to 800 acres were laid off around each centre of mining population, this area being excluded from the operations of any other mode of settlement, and if also within that area the miner could take up 50 or 100 acres under the fifty-ninth clause of the Mines Act—that is, to leave at any time on six months' notice, it would be of great advantage. I think it would be a very wise provision if these reserved areas were dealt with by the county. They would be of more benefit, and, if it were deemed necessary to endow the counties, they would form a very valuable endowment.

202. *Mr. Macandrew.*] The principle in your evidence, as I understand it, is that each deferred-payment pastoral area should have a modicum of agricultural land wherever practicable. That is the basis, the guiding line, of your policy?—Yes.

Mr. WILLIAM FRASER, examined.

203. *The Chairman.*] You are a runholder in Otago?—Yes.

204. We should be glad, Mr. Fraser, to hear your statement?—I wish to bring before this Committee one or two matters which it certainly, in my opinion, might well take into consideration in dealing with the waste lands. The one, I think, which is of most importance is the question of fencing. At present there is no fencing law affecting leaseholds at all, and unless a Fencing Bill is introduced, providing means whereby any leaseholder can compel his neighbour to pay half the cost of fencing, the cutting-up of the country into small leaseholds will be impossible—that is to say, impossible consistent with their profitable occupation. Any one who knows anything about stock-farming must know it is impossible to keep stock profitably unless they are fenced in; otherwise you may have your neighbour, through carelessness or ignorance, employing cheap rams or inferior rams, to the deterioration of the progeny of your sheep, and he would get the use of your first-class stud sheep, for which you had given perhaps £5 a piece. Unless a Fencing Bill is introduced in connection with the cutting-up of the country, not only will the flocks necessarily deteriorate in quality, but great hardship will ensue to owners in some instances. Men who desire to keep their flocks up to the proper standard will be compelled to fence not only their own land in, but their neighbours off. The Fencing Bill introduced into Parliament last session, but which was withdrawn, would, I think, in some of its provisions have met the difficulty referred to. The more the Committee look into this matter the more importance will they attach to it.

205. *Mr. Thomson.*] Will you state how it happens that the provincial ordinance does not meet this difficulty?—An ordinance was passed in the Otago Provincial Council, I think it was in 1868, enabling a runholder to call upon his neighbour to pay half the cost of dividing fencing, but the Governor disallowed it. It remains in the Statute-book, but has been disallowed—I suppose by the Governor.

206. I recollect there were two ordinances: the first was disallowed, was the second disallowed?—The second contained no reference to the fencing of leaseholds, and as the law now stands a man

cannot compel his neighbour to pay half the cost of fencing. I am certain that the more the matter is looked into the more necessary will it be found to take action. I am not going to offer any opinion upon the question of the administration of the waste lands, that is a matter for the Government. However, I may say that I have seen the Government proposals, and I think that if administered properly they will conduce to the settlement of the country.

207. *The Chairman.*] You think they will conduce to the settlement of the country?—I believe they will if administered properly. There is another point which I hope will be given effect to—in whatever way it may be done—namely, that the proprietorship of every acre of land in the country should be fixed in some one, either by sale or by lease. I am influenced to make this recommendation particularly by the existence of the rabbit pest, of which I have had painful experience. Unless you fix the proprietorship of every acre upon some one, you will find enormous difficulty in dealing with this question. Every commonage and every piece of Crown lands left unoccupied in this country is only another name for a rabbit warren, and while rabbits are allowed to increase without check upon such lands this nuisance will be perpetuated indefinitely.

208. There ought to be no unoccupied strips, you think?—None. It may be advisable, of course, in some instances, in order to promote the interests of small settlements, not to adhere strictly to such a plan; but this should be an exception. I am urging the adoption of a general rule.

209. Mining reserves—could no one be held to occupy them?—I do not see why mining reserves should not be occupied. They can be leased. There is nothing to prevent mining reserves having, for the purpose of dealing with this question, an owner. The operation of commonages throughout the country has been most mischievous. They have not benefited those for whom they were created.

210. As to responsibility over hundreds?—It might not be inadvisable to have a system of hundreds operating in some localities; still, I say, it should be avoided, if possible, for the reason stated. Moreover, the cutting up of the pastoral country should be done in such a manner that every portion of it should be occupied. If you so cut it up that there are portions liable not to be applied for, and which will not be taken up, then, I say, you will do that which will be productive of very great evil, and result in serious loss to the country. I am satisfied that the opinion I hold upon this subject is held by large and small holders alike in the interior. Many small holders have spoken to me very feelingly about the loss to themselves from their proximity to unoccupied Crown lands. I know some of these men have had to abandon their holdings: they could not keep the rabbits down upon them simply because of their proximity to unoccupied Crown lands. I need go no further upon that point, having indicated my views upon it generally. The next question I will refer to is that of the time to be given to runholders to dispose of their stock. I have heard it rumoured that it is the intention of the Government to evade the law as it stands, by giving notice that it is not their intention to re-lease. The 115th clause of the Land Act provides that Government, in the event of their resolving to re-lease the whole or any portion of a run, shall sell the new leases twelve months prior to the expiration of leases now existing: the Act is very clear upon that point. I wish to point out to the Committee what would be the effect of throwing, in a limited period, into the market the whole of the stock now depasturing upon the country about to be dealt with. I believe it has been assumed that the difficulty can be got over by giving notice to present holders that it is not the intention of the Government to re-lease the country, Government having, at the same time, full intention to re-lease it at some period prior to the expiry of the lease. I can only say that any one—except a Government—proposing to do such a thing would be characterized in a peculiar manner. It is asserted that little or no hardship would accrue to present holders of stock by selling the leases at a date much nearer the expiry of existing leases. I have seen it advocated that they would necessarily keep their stock on the runs till the expiry of their lease, whatever might be the date of sale, and that therefore a few months' notice would be ample. I am certain that any one taking a sensible view of the question will see the absurdity of such a statement. In the first place, upon many of the runs in the interior of Otago, mustering is not a question of days or even of weeks; it sometimes takes more than a couple of months to accomplish. This would mean that the runholder—the present occupier—must dispose of the whole of his stock off the shears, because he would not care to let them go back on the country again—at least he would not let his dry stock go. As shearing-time extends from November till the middle of January—a period of three months—he would require to have the most of his stock off the country three months before the lease was up. I would point out that, until the country is disposed of in some manner or another, there will be no purchasers for stock. Until you have fixed the proprietorship of the land in some person, no one can buy stock; no one will buy it. Therefore, by giving notice that you do not intend to re-lease the country, you say to the runholder, “You must dispose of your stock. We will not tell you the date on which we will sell the country, or who will occupy it next, and yet you must provide a purchaser for your stock.” I am certain, if this twelve months' notice is not given, that it will not only effect the value of leaseholders' stock, but also the value of stock upon freeholds. It would disorganize the whole stock-market for that year, and virtually mean the confiscation of the property of present holders. Assuming that twelve months' notice be given, the hardship upon the incoming tenant would be very small. For, after all, what does that mean but that he shall pay six months' rent twelve months in advance. This means that he loses the interest merely on six months' rent, which, surely, if he has sufficient means of going upon this country and of stocking it, would not deter him from bidding for it. That is all I wish to point out upon that subject.

211. *Mr. De Lautour.*] Who do you consider is your neighbour, regarding yourself as a runholder—you say your neighbour is not compelled to fence?—I referred particularly to leaseholders, but my remarks would also apply to freeholders and leaseholders.

212. Is it not a fact that all the runs are fenced now?—Yes; but I understand the country is to be subdivided, and it does not follow that these subdivisions will be fenced unless they follow existing fences.

213. You have fences between you now as leaseholders?—Yes.

214. Then why do you suppose that the same law of nature, which compels you to fence between yourself and the adjoining leaseholder, would not compel the putting up of fences between smaller

properties?—I will answer that by giving you an instance of what occurred within my knowledge. A neighbour of mine was under the impression that the ordinance referred to by Mr. Thomson was law. A neighbour of his was also under a similar impression, and paid his half of the cost of a boundary fence; but had that latter neighbour not been under the impression that the first man could compel him to fence he would not have done so. This was not found out till after the fence had been erected and paid for, otherwise, had the second man made his discovery sooner, he would not have paid his half. He said he would not have paid half, and expressed regret at having done so.

215. Would not a fence be cheaper than keeping shepherds?—Certainly; but a state of things should not be allowed to continue by which a man may be compelled to fence his neighbour out. For instance, three men might occupy adjoining blocks of land. The centre man might say to the other two, "I do not want to fence." The other two, desirous of carrying out their engagements to the State and to do good for themselves, would be under the necessity of putting up fences; the result would be that they would at their own cost have to fence the intervening landowner out. You say such a thing is not likely to occur; I know that such things have occurred, and, if you do not provide against them, will occur again.

216. What objection would there be to compelling residence on the leaseholds, would there be any?—I think there would in many cases, because a person, whatever he might be, perhaps a resident in a town, employed in a profession or some other occupation, might have some surplus means which he would like to invest in the country and acquire a leasehold. If you enforce residence you fix a man upon a particular spot, and he can do nothing else.

217. Do you not think residence would help to keep down rabbits?—I do not think so. Only one thing will keep down rabbits; that is, united and simultaneous action. I speak from experience. To prove that residence will not keep them down, I may mention that the Trustees had great difficulty in dealing with the settlers living on small holdings in the vicinity of the Teviot: it was almost impossible to get them to take action simultaneously.

218. As to the time of notice—the twelve months—does not the bulk of the leaseholds expire in March, 1883, by the extension?—Yes.

219. When do you consider that the future holdings should be offered, reading the law strictly?—I should think that, reading the law strictly, the country should be sold before March, 1882. I am referring to the country to be re-leased, not to that to be sold. And if it is the intention to re-lease it, I think it is a mere quibble to say, "We will give you notice that we do not intend to re-lease," and yet a few months after proceed to re-lease. It would be an unfair quibble, and unworthy of a Government.

220. Would not the runholders in each case know whether or not their land would be wanted for subdivision?—They cannot tell. It is the general impression that the whole area of leases falling in is to be subdivided.

221. Do you think that is a wise thing to do, subdividing the whole of the area?—That is a question of policy.

222. But you have experience?—I think, in many cases, it would be advisable, because, when leases expire, the present holders have no better right to the country than any one else. Every one should have a chance.

223. There are 2,000,000 acres to fall in at once. Do you think there would be applicants for all this, in areas varying from 5,000 to 10,000 acres?—You mean, would there be separate applicants. I do not, if each applicant is restricted to one block; and I will tell you why. There are many places in which you would have blocks that would not be taken up because people could not live upon them, and others which could not be profitably used unless the adjoining blocks were worked with them. Aspect has a great deal to do with country for sheep purposes, quite as much as altitude. That remark is not applicable to every part of the country, simply to mountainous land.

224. What is the stock market now?—It is supplied by the surplus increase of the stock upon the leaseholds, and those who purchase it are either small farmers or large freeholders. These people are increasing the carrying capacity of their properties year by year. But if you throw the whole of the stock upon the market suddenly, it will be impossible to sell so many. The freeholders could not absorb this number suddenly, and there would be no demand by incoming lessees till the land was sold. No one would purchase stock on the chance of acquiring a leasehold.

225. The present lessees would be occupants in the meantime?—But only at will. They go out at the end of their lease.

226. But if they put their stock into the market, and could not sell, they would still hold the country?—Let me explain. If the present runs are let on leases, the incoming tenants would be the purchasers of the stock. But, until the runs are let, the present holders are supposed to have an interest in them till March, 1883, and therefore no one can buy stock from them, as they would have no place whereon to depasture them.

227. Why is there any need to sell the stock at all, until such time as the proprietary of the subdivisions has been fixed? Would not this settle itself?—I know very clearly how it would settle itself in such case. The present leaseholders would feel that they must adopt one or other of two courses: they must dispose by boiling-down, freezing, or by cutting the throats of all their stock; or they must keep them till the last day of their lease. Then the new lessee would say, "I won't buy from you; you must go off;" and he would be able to buy sheep at 1s. 6d. per head. The outgoing lessee must submit to the terms of the man who had the land. It is the grass which gives the stock value; they have no value except to those who have grass for them. It would throw the holder of stock completely at the mercy of the new tenant.

228. *Mr. Shrimski.*] I understand you to say there should be an owner or responsible occupier for every block, in order to carry out any system for the extermination of rabbits?—Yes.

229. Would it matter, for that purpose, whether he resided on his run or any where else in the colony?—It would not.

230. But you prefer men being in the colony rather than absentees?—As a general rule, I do. Every one prefers that.

WEDNESDAY, 27TH JULY, 1881.

The examination of Mr. MCKERROW, Surveyor-General, adjourned from 14th July, was now resumed.

Witness: Speaking of the auriferous deposits, I will take the Ida Valley first. All along the base of the Rough Ridge gold deposits exist, and are now worked: they are worked at Germau Hill and in various other parts. A petition has, moreover, been presented to the Government from the miners, drawing attention to the necessity of reserving the whole of the flanks of the Rough Ridge down to the flat in the Ida Valley for mining purposes. The petitioners do not ask for the land to be set aside for mining solely but request that it should not be disposed of in freehold. Then, taking the Manuherikia Valley, there is a very valuable belt of country all along the base of the Dunstan Range, and known as Dry Bread, Tinker's, and Devonshire, extending right down to the Waikerikeri Valley at Clyde. The whole of the belt is auriferous, and I have no doubt it will be more developed in the future than it has been in the past. In fact the diggers are only now getting a knowledge of this country as they go deeper down. On the other side of the Manuherikia Valley there are considerable workings at Black's all round the flanks of the ranges. Then, coming down to where the Manuherikia joins the Clutha, the bed of the Clutha itself is exceedingly rich in gold, and at this moment two steam dredges are being built to work between Alexandra and the Town of Clyde. All along the base of the Old Man, on Earnslaw Run, there are very valuable deposits, and operations are being prosecuted now. There is a petition now before Government numerously signed by the people of Alexandra, and residents in the vicinity, most earnestly drawing the attention of the Government to the hindrances which would ensue to mining if Run 249, known as Earnsleugh Station; Run 221, Moutere Station; Run 220, Galloway Station, and generally the whole of the basin, were disposed of by sale. It would simply ruin mining if the Government were to do anything but lease these runs again. To make the land freehold is, in their opinion, simply to shut up mining. Difficulties between freeholder and miner over freehold and riparian rights would ensue, and miners say their experience is that, unless the land is re-leased, mining will go to the wall. Taking the Clutha River next, from Clyde to Cromwell, there are miners working all along the Gorge, fossicking into the banks and getting very rich finds now and then; and I may say, in passing, that this is where Hartley and Reilly made their wonderful finds. All round the Kawarau, near Bannockburn, there are extensive workings. The Carrick Race has been brought in at great labour and cost, is paying exceedingly well, and is giving large numbers of miners the means of employment in washing out the auriferous leads. Following up the Clutha, above Cromwell, there is not much auriferous working to be met until we come to where the Cromwell Quartz Company have their reefs. The locality of the reefs is a district that will be very much developed in future: it is only a beginning, in my opinion, that has so far been made. Attempts have been made to work other reefs, but they have been abandoned, not from there being no gold there, but from want of sufficient capital. It is only a question of time when they will be worked. Following up the Clutha further, there never has been any extent of rich ground discovered above the confluence of the Lindis with Clutha River. Any miner fossicking up there can only make bare wages; no ground has been found of a nature sufficiently rich to induce extensive workings; but there is gold in the whole of the country up to Lakes Wanaka and Hawea, in more or less extent, but not in payable quantities. In the Lindis direction nothing much in the way of auriferous deposits have ever been found. Near McLean's station is the gold field discovered in 1859 or 1860—the first discovered in Otago—but the discovery of Tuapeka drew away the miners and they have not returned since. There is gold there, and it would probably pay wages of from 5s. to 10s. per day; but other parts of the gold fields are so much more valuable that this has not been taken up. The day will come, however, when miners will set in and work there. Coming back again to the Lower Hawea Valley, I may say that on the Fork Run, Campbell's, on Lake Wanaka, and up the west side of Lake Hawea, gold exists. Quite recently a rush took place to Long Gully, but it has fallen away, not fulfilling the expectations formed of it. Gold is known to exist at Quartz Creek, but in both cases is not sufficiently rich to warrant any mining setting in. Water can be brought on to these places. Coming to the Cardrona Valley, there are very rich deposits at the head of this valley. They happen to be very deep down, being evidently the remains of a former water-system of the country, but covered to a depth of fifty or a hundred feet. Several claims are working on these deep deposits. Lower down the valley the colour of gold has been found, but nothing else. It is suspected that a deep lead of gold extends down the valley, but it has never been followed up. My opinion is that it will be so very deep, and so much water will come in from the hills on both sides, that it is exceedingly unlikely that this portion of the valley will ever be worked. All round the base and flanks of the ranges gold is to be found in greater or less quantity.

231. *Mr. Bastings.*] Regarding the Earnsleugh Run, do you think, in order to allow mining operations not to be checked, that it would be necessary to let all of it only upon lease?—I think so. We have opened a block on the flat recently for deferred-payment lease or agricultural settlement, which has taken up all the best of the land. I think that the remainder should only be leased. I may say, in a word, that it will be a very great mistake if all this auriferous country is not re-leased.

232. *Mr. Thomson.*] Would you indicate generally the land which may be alienated?—I think the country below the Lakes to Luggateburn, and between Grandview Range and Criffel, might be alienated—that is to say, the Hawea Flat and portion of the Fork Run, also portion of the Cardrona Valley around Mount Barker, and of the Upper Clutha Valley. The Mount Barker Block is opened. I would think it perfectly safe, and not likely to interfere in any way with mining, if all that country were opened for sale in freehold. It would give a large district the opportunity of getting populated.

233. How much land would there be in that area?—About 50,000 acres approximately.

234. *Mr. Shanks.*] How much of that would be good farming land?—I think about 30,000 acres. I have been astonished at the magnificent crops grown there.

235. *Mr. Bastings.*] Going up the foot of Lake Wanaka, you come to the Matakiki Valley?—The agricultural capabilities of this valley have been made a great deal too much of. There is a very nice piece of ground from the point where the Motutapu joins the Matakiki River; but I think its extent and qualities are exaggerated. There are 3,000 acres of beautiful level land, but it is liable to be flooded: an enormous range is just behind, a great deal of water comes down, and some of the land is saturated.

236. Do you mean the valley where Mr. Thomson has his pre-emptive-right selection in? I went up that valley. Is it not about fourteen miles long and three miles wide? The valley I mean has splendid crops, and land down in clover. You cross the Motutapu River, going from Pembroke, and go near the road to Mount Aspiring?—That is the place I refer to. The good land is after you cross the Motutapu; it is on the opposite side of Matukituki from Russell's saw-mill. There are about three thousand acres in that flat. You may allow me to mention that it is a mistake most amateur surveyors make to over-estimate the area of a long narrow valley. They say, in riding up a valley, "What a fine country before and behind;" but they forget that it is very narrow. Put the surveyor's chain upon it, and the area shrinks into less dimensions than you would suppose it to have. I refer to this point the more because I have heard the flat at Carmelburn estimated to contain 15,000 acres. But what really is the case is, that by going up the flanks of the hills you may get 5,000 acres of good agricultural land, but there is no more than 3,000 fit for farming on the flat.

237. *Mr. Thomson.*] I should like you to continue about the Upper Clutha Valley. What land is there that is good for settlement?—Down the Clutha Valley, after leaving the Luggate, the farming land is pretty well taken up now. It is marked off in blocks. There is a block known as Anderson's Block which takes up a considerable portion. Then there is another block on the other side of the river, and which is rather dry for agriculture. Then at Cromwell the whole of the flat, an area of 14,000 acres, is a commonage, and can be taken up under agricultural lease. In the gorge of the river, between Cromwell and Clyde, there is no room for settlement, except for a very few gardens. Then, at Clyde from six to seven thousand acres have been surveyed, but no one cares for this land, as it is too dry, but, if water is brought to bear upon it, it grows crops well. At the Manuherikia it is all thirsty land till you come to Black's or Ophir. At Spottis Creek all the land has been taken up. Wherever the land on the Manuherikia Plain is moist it is of splendid quality. There is a piece of very good land at Lauder Creek, and I think we may reserve eight or ten thousand acres there. Application is now being made to have this Lauder Creek land opened for settlement. Further up the valley we get to Beck's and Rolland's, parts of the country which I have already described.

238. *The Chairman.*] Would you indicate upon the land which has been reserved for the railway?—I could not from recollection, but I may tell you that the rule in making the railway reserves was to make every second run a reserve. The total area reserved amounted to about four hundred thousand acres. Coming to the Ida Valley, I think it would be no detriment to the gold fields if the land was reserved for agricultural purposes on the flat and well towards the base of the hill, provided reserves were made of two or three chains in width for tailings. I repeat again that under no consideration should ground in which gold exists be dealt with otherwise than by being re-leased.

239. For a short time?—On the usual terms, because you can always take the land at a year's notice. The gold-miner and the leaseholder get on very well, but the gold-miner and the freeholder do not agree. There are continual difficulties arising out of their conflicting interests. Even with the diminution in the yield of gold in Otago, the produce of an industry which yields £400,000 or £500,000 per annum is not to be thrown away.

240. *Mr. Thomson.*] Could you not indicate any country suitable for deferred-payment pastoral settlement?—The country on both sides of Ida Valley is suitable for that form of settlement; but the objection arises that under pastoral deferred payments you are making freeholds.

241. Then you think there is scarcely any portion of Vincent County that could be opened under that system?—No. At Criffel, along the end of Mount Pisa, there could be several runs offered on the pastoral deferred-payment system. Members of the Otago Land Board have recommended to that effect, and I quite concur with them.

242. *Mr. Bastings.*] Do you not think that the run held by Mr. Henry Campbell, at Wanaka, the Forks Run, is good land for settlement?—The gentlemen I have referred to recommend that three or four thousand acres of that land be sold. After that is taken out of it you must leave some of the low country, to work the hill country. There is some very high country in that locality.

243. *Mr. Shrimski.*] I understood you to say that you would not advise the cutting up of deferred-payment pastoral lands on the gold fields; because if you disposed of land in that way you would interfere with the miners?—Yes.

244. But you would lease it for pastoral purposes?—Yes.

245. But would that not be playing into the hands of the pastoral tenants—when times became bad, would not the pastoral tenants buy the whole of the land?—I do not think so. The land must be sold publicly.

246. But take the case of the Otekaike Block?—The circumstances under which it was sold do not now exist. It was disposed of under a system differing from the present. As the law now stands the Government cannot sell land privately.

247. *Mr. De Lautour.*] You say that Government can always resume possession of the land at a year's notice—you mentioned this when referring to the leasing of the country containing those auriferous belts? I want to remind you of this: that you cannot do that unless you require the land for sale. That is the wording of the Act; the lease is for ten years, and Government can resume the land at a year's notice only if they want it for sale. I should like an answer from you after having reminded you of that point?—But, as regards the auriferous belts of country, the Government will never want to exercise this right of resumption upon a year's notice. I say, give the land upon the usual ten years' lease, and, if you want any of it for settlement, you can take it at a year's notice, for though it may be said, as a general rule, that the flanks of the ranges are auriferous, yet minute and careful search will show that there are regions of, perhaps, one or two thousand acres that are well proved to be quite barren of gold. It is perfectly safe to cut out such pieces from the pastoral leases from time to time as wanted, and so enable the miners or others to settle down as farmers or miners, or partly as both.

248. I want to bring it out distinctly that in re-leasing any auriferous land you are practically giving a ten years' lease?—Yes; Government is giving a lease for that term, because Government can resume land only as it is wanted for sale; and I agree that Government can resume it for no other

purpose. But Government will never need to resume possession in order to sell the land, if it is found to be auriferous; but if it is not auriferous, the land can then be resumed for sale.

249. If it is decided that certain large belts of country are not to be sold because they are not auriferous, would it not be wise to lease that country on a more perfect tenure?—It would, but the fact is that the law, as it now stands, will not permit of this being done.

250. Would it not be advisable to alter that law?—I think I stated in my evidence on a former occasion that, in order to increase the revenue from pastoral lands, it would be advisable to give a better tenure, not only as regards non-interference, but also in the matter of greater length of lease. I think, upon the whole, that the law as it now stands will do very well.

251. *The Chairman.*] In the meantime?—Yes.

252. *Mr. De Lantour.*] But, if we let the country under the law as it now stands, shall we not be giving the present pastoral tenants pastoral rights over the auriferous country for ten years? Shall we not be giving them a hold over it for that term?—No.

253. How do you get rid of that argument?—By this, that the land has to be competed for at auction. The present tenants will only get the country again by offering the highest rentals at auction sale.

254. How are you to avoid the Act which says that you are only to give them notice if the land is required for sale? I understand that the Act means this, that you are to give notice if you require their lands for settlement?—The Act says, in one place, that at least twelve months before the expiry of the present leases the Land Board has to consider what has to be done in the matter of the disposal of the lands. If the run is to be re-leased the tenant is to get notice, and such notice is to be given twelve months before the expiry of the present term: that is the law. But in another portion the Act says that, when the leases come into the hands of the Government, the Government and the Land Board can do with the land as they think fit.

255. But, if it is to be re-leased, it is to be offered by auction twelve months before the expiry of the term of the present lease?—Yes.

256. Then would it not be offered in one run, as it is now?—No, not necessarily.

257. But you cannot compel residence if you cut the runs up?—Not on leases; but you compel it on pastoral deferred payments.

258. Would not the effect be that the present tenant would get it?—That is a matter of opinion. I think that most of them would try to get their run again, if they could manage to do so at a moderate figure. But if any person thinks he can give more for it than the present holder, then whoever pays the highest price will get it.

259. Taking the experience of the past two years, have not the present holders got their runs intact?—That experience is hardly a guide for the future, because the runs that have fallen in are rough high country. These runs were taken up at extravagant prices and then thrown up, because both of rabbit pest and bad winters. These runs were next, as it were, hawked about and offered by the Land Board from time to time at a less and less reduced upset price, till at length most of them have found a purchaser. For instance, Run 436, of 40,000 acres, offered at various rates, finally reduced to an upset price of £20, went at £38 per annum. That is the history of nearly all the runs offered during the past couple of years.

260. Judging by that experience, if you put up high and low country, would you not be giving the present tenants practical pre-emption of the high country at a low rate?—No; because we will offer the country from the valley to the summit of the range. It will be offered in shapely pieces—that is, not in long, narrow strips, but in areas twice the depth to the width; and any one who likes to compete for a lease can do so.

261. But suppose, for instance, that the Serpentine Run is offered at the same time as Blackstone Hill, would the public not prefer to lease pieces of the land at Blackstone Hill?—Yes; and very wisely so too.

262. Then would not the present tenant of the Serpentine get it at his own price?—A fair upset price will be put on every leasehold, and it is not unlikely that in some cases that may be deemed too high by the general public, and no one will come forward to compete. The runholders who are now on the ground know the country; they have all their working plant and stock on the ground, and can afford to give a little more for the lease than a stranger could. But the law gives no advantage to the present lessees which may not be enjoyed by anybody else.

263. Mr. Barron was asked by the Committee about outlets—whether instructions were given to the District Surveyor in laying off blocks of land on gold fields to reserve outlets for tailings. He said no instructions upon it had been given?—I think he must have forgotten that most explicit instructions have been given to reserve auriferous tailings outlets. I think Mr. Barron himself has had instructions from me in my own handwriting. Apart from that, however, the diggers are so much on the alert that if the department failed in its duty they would speedily call attention to the matter.

264. I hardly put that question fairly so far as it concerned Mr. Barron. I should have stated that he said he had no instructions to reserve land invariably along the margins of creeks?—The advisability of making such reserves is partly left to the discretion of the Warden, the Surveyor, and the diggers themselves. In taking the land for settlement, in Ida Valley for instance, the department was very careful in making reserves.

265. But would it not be better to lay down the rule that in all streams and creeks on gold fields reserves should be made?—I do not think so. I may inform the Committee that no evil has resulted from such cause so far.

266. Not on the Maerewhenua?—The land was sold there years before there was a gold diggings in the district. If you were to lay down that rule generally for New Zealand—that no margins of streams be sold—the country would not be habitable: that would not do. Referring to the survey of land in Ida Valley just mentioned, the Survey Department left reserves very carefully along the streams. I was told of the stupidity of the surveyors in leaving this little margin, compelling settlers to fence along the streams, and rendering it so that the place could not be settled, owing to the expense

of fencing being so great. I admitted that any contentious person might snap his fingers in the face of the settler, and drive a horse or cow along a reserve through the middle of the farm; but probably most people would be content if a slip panel were left, to allow of ingress and egress where necessary, to pass through. On making inquiry I found the diggers were perfectly indignant at the proposal of doing away with the chain of reserve. The same happened at Earnsclough.

267 *Mr. Bastings.*] As a matter of fact, you know that the Waste Lands Board have given notice of its intention to deal with the runs?—The Board have in some cases given notice that the leases will terminate at the end of twelve months, as a matter of precaution, and have afterwards considered more carefully what should be done with the land.

268. What is your experience in regard to pastoral lands? Does it not all come again into the hands of the lessees?—It does, in most cases. The lessee gets it, but he does not get it upon his own terms.

269. You know Cable and Drummond's run?—I know that run. The lessees got it again; but they paid 6d. per acre per annum for the country, which is a good price.

270. *Mr. Thomson.*] Does much of the Wakatipu country fall in soon?—It has been nearly all relet. Since the map I am referring to was coloured, a large extent of country, about fifty thousand acres, has been released at from a farthing to a halfpenny per acre per annum. The country was well advertised, every one had a chance of going in for it, and it had some low country too. But the rabbits prevented people from giving anything like a price for it.

271. *The Chairman.*] Would you go over the Southland map, and inform the Committee as to the lands to be dealt with in that district?—The Southland runs fall in in 1883. The land for disposal is mostly in scraps along the tops of the hills. It is not of much value. With the exception of two runs, all the land to be dealt with is high or back-lying country. These two runs are the Centre Hill Run, which is country that would do for pastoral deferred-payments quite well; the other is a valuable run called Blackmont, an area of 37,350 acres, which would cut into three runs very well. It is not all suitable for pastoral deferred-payment settlement, as 5,000 acres would be too small an area in the high country of this run.
