

32. Yes; but I am talking about the Board of Trustees. Their first duty was to improve their trust?—Yes.

33. In what way, then, had you the duty thrust upon you to look after settlement?—It was in the interests of the trust to get the reserves settled.

34. In order to get the most revenue?—In order to get a fair revenue. I do not believe in getting the very utmost revenue out of settlers, but in getting a fair price—a price people can afford to pay.

35. You say the public of Otago have the utmost confidence in the Commissioners. What proofs have you of that?—Because I have never known any fault to be found with them except where, at the instance of the Colonial Government, their action has been handicapped.

36. But have people been satisfied in Southland—for instance, in the Waikaia district?—Well, there is sure to be a great amount of dissatisfaction, especially when the Minister comes down and says to the people, “Oh! never mind the Commissioners. I am the supreme being.” That was the way the provinces were destroyed by the Parliament interfering. [Here the witness was reminded that he was digressing.]

*Hon. Mr. Rolleston*: I hope this will be taken down.

37. *Hon. Mr. Ballance*.] Do you consider that as trustees for education reserves you were acting within your duty in trying to alienate your trust—the reserves?—In trying to alienate them?

38. Yes?—Yes; I consider it was quite right in the interest of the trust and settlement, providing that we invest the funds for the purposes of the trust.

39. And do you think that the original intention of Parliament was to have these reserves alienated?—No. The original intention when these reserves were made was not to sell them.

40. Then you are not carrying out the original intention of Parliament?—I am talking about the original intention. The intention was to hold them as perpetual reserves, but that they should not interfere with settlement.

41. But that is your own view?—No, that is the original view.

42. It is quite clear from your own admission that you are not carrying out the spirit of the trust. The object was that the reserves were to be held in perpetuity?—But the law has been altered since then to enable the trustees to otherwise deal with them, and to invest the proceeds for the benefit of the trust.

43. I do not agree with that at all?—But according to law there is power of sale.

44. I do not think you have that power. It is quite clear you have the power to carry out the original intention of the trust; but you are not carrying it out. You have power to give a perpetual tenure?—No; not by the original Act under which the reserves were made.

45. Not a perpetual lease?—That was never intended when the reserves were made.

46. I thought you said it was?—No.

47. What do you mean by perpetual tenure?—I never said that. I said “to be held in perpetuity.”

48. Yes; the property was originally intended to be held in perpetuity?—That was my intention, as one of the original founders of the trust.

49. Why have you changed your opinion?—I see I was in error then. It is not in the interest either of the trust or of settlement that they should be so held.

50. *Hon. Mr. Rolleston*.] Why not?—Because the people want to acquire freeholds. You will never satisfactorily settle the country by leaseholds.

51. *Hon. Mr. Ballance*.] Did you not think it worth your while to give the system a trial, so that you would have had experience of it?—The High School Board gave it a trial, and I have had sufficient experience of it.

52. Then you consider the best way to settle the country is to sell land without any conditions of settlement?—No. I did not say so.

53. But you have done it at Waikaia?—Because the Government would not allow us to sell two-thirds on deferred payments and one-third cash, we had therefore to fall back on the powers we possessed without Government interference.

54. *Mr. Macandrew*.] Then you were forced into an objectionable course by the Government?—Of course. We were told by the Minister of Lands that we must either agree to let one-third under perpetual leases, or that we must lease them under the Act of 1878. We offered, as I have already said, to sell two-thirds on deferred payments and one-third for cash.

55. *Hon. Mr. Rolleston*.] You wished to avail yourselves of one clause of the Act of 1882; but when the Government wished to say that it was only fair that you should take the whole provisions of that Act, you said, “No; we will only take that part that pleases us, and nothing more?”—No. I did not say that at all.

56. But it is a question of a matter of fact. Did you not say you would not take that portion of the Act enabling you to lease?—Not at all. We said, “We are here to administer the estate in the interest of the trust.”

57. But you refused one portion of the Act?—We said, “We are here to administer this estate. We can best administer it (as I told you) by sales on deferred payment and for cash.”

58. Did not the Legislature say——?—No; the Legislature did not put any compulsion on us to grant perpetual leases. It only said we might do so. It was optional.

59. Did not the Legislature intrust to the Government of the day the general control of the Land Act if you chose to come under it?—If you show me the Act I will tell you.

60. I have not got the Act here, but you surely know the Act. The Legislature said the Government might do certain things. The Governor had the administration of the Land Act, and if they chose to come under it the Governor's control ended?—I know perfectly well that it was never supposed—in the Legislative Council, at any rate—that the Government was to interfere in the administration of the trust, and say the Commissioners should not use their own judgment; provided, of course, that in doing so they did not sacrifice the property.