

cares to return an excess of stock owing to the tax. I may say to the Committee that the Otahu has been a little disappointing, although I would have no hesitation in purchasing it at the same price again. What marred it was this: I saw in the papers myself very disparaging remarks about the quality of this land, and that it was a regular piece of corruption on the part of the Government and Mr. Ward, and all that sort of thing. That, I believe, had a very deterrent effect on people going to visit it. Then, too, a small settler would have to come from Invercargill, say, take train to Otautau, and stay the night, and then have to arrange for a buggy or horse for twenty-five miles to see the place; and, also, if people see in the papers that it is a bad place they will not come. So that I attribute that influence in a degree to the tardy manner in which it was going off, although now it is going off better, and I have no doubt that in a few months more it will be all taken up. The difficulty in settlement is to get the first man on the ground. It is just with mankind as it is with sheep—one takes the jump and the others follow. On the Otahu a settler can have a large area of open grass land at a low rental. That being so, he has time to feel his way and gain a footing; whereas with higher priced land there is greater risk of failure in the earlier stage of settling on the land. To a man of energy and go, but of small means, I think there is more likelihood of success on low-priced lands lying back than on high-priced lands along the railway-lines.

12. Does the correspondence disclose any attempt on anybody's part to bring influence to move you in connection with this purchase?—Not the slightest; no pressure by verbal hint, or in any way whatever. There was nothing improper—I disdain the very idea of it.

13. I should like it to have been understood whether it was quite possible, though I think it very unlikely?—I was not waited on by anybody in connection with this—certainly not the Minister or Mr. Ward. If any one had attempted to use undue influence in connection with this he should have received a very plain reply.

14. *Mr. Kelly.*] You stated about the value of the Merrivale land. Will you tell the Committee what the Merrivale land was valued at by the valuer when subdivided for settlement?—Yes. Just alongside the boundary one section was put down at 6½d., another at 9½d., and another at 1s. 2½d.

15. Are you also aware that on that land adjoining Merrivale—that valued by our department at 12s. 6d.—there was from £1 to £1 2s. 6d. per acre spent upon the laying of it down in grass almost before the department had taken it over?—I do not know.

16. You say it was approximately valued at 12s. 6d.?—That is what the land came to apparently.

17. You also stated that about one-third of the land was taken up?—Yes, about that.

18. Will you tell us whether Mr. and Mrs. Smith, who took up two sections, retained them?—I do not know the names, but I know there was a party who gave it up; and I wrote to the Commissioner of Lands, who replied that they were frightened by the persistent attacks of the traducers—they saw so many adverse remarks about the property.

19. In a statement that appears in the correspondence from Messrs. Watson and McNab they stated that a mortgage of £11,000 was on the property at one time. Are you aware from your own knowledge if this is correct?—I am not aware at all.

20. You said the Minister never expressed any desire, directly or indirectly, about taking it up?—That is so.

21. In one of your letters in the correspondence you said that Mr. Batger stated to you his intention to take up the Homestead Block?—Yes, that is so.

22. How far did this statement of Mr. Batger's weigh with you with regard to it?—On purchasing an estate with a homestead on it there are, as you are aware, certain considerations to be taken into account for that particular portion. Property of that sort, although very valuable at first, soon goes down, because it will soon get overrun with weeds and into general disrepair unless soon occupied. So I said to Batger, "This is a nice homestead; don't you intend holding on to it?" He replied, "Yes." I said, "There are two ways of retaining it: you may have it excised from the estate, and not sell this portion at all, or the law will admit you applying to have 640 acres of it adjacent to the homestead, which you will have permission to lease." He said it would be very nice, but his brother might take it up at any time. Mr. Barron and I, however, pointed out that it would be rather a straining of the law for him to transfer it to his brother, but that in order to put it in train we would survey the homestead. Messrs. Batger and Barron and myself went carefully through the bush to see the nature of it, and I may remark in passing that it is one of the most valuable properties in the colony, because the timber has not been wasted or burnt. Mr. Barron and I said that if we got the property we would cut a portion of it off as a reserve for the settlers for sawmilling, getting firewood, and other purposes. Mr. Batger did not want a bight cut out, so we said, "We will run the line behind, and keep the place intact." The map will show that that has been done. I may say he really led us to believe he would take it up, and we were afterwards annoyed that he did not. At the Jubilee Exhibition at Dunedin I saw him, and remarked that we were rather disappointed, and he said, "I did not care about it, and my brother did not want to take it up."

23. You did not say it in writing?—No; it was purely verbal.

24. You still say that even if Mr. Batger had not offered or had not stated his intention of taking up the Homestead Block it would have made no difference whatever in your recommendation?—No, I do not think it would; it is a very good purchase.

25. You said something about that no settlers in the locality of where this land was would care about taking up the land?—What I said was that there were no people in that immediate district to take it up. It is a new district, emerging from the pastoral to the agricultural stage, and people must come from outside to take it up.