

of the Committee whether you were in any official position at the time?—I have resided in the Canterbury Province for the last five and a-half years, and have watched the effects of the alienation of Crown Lands, in payment for public works in that Province with considerable anxiety. I have sat in the last two sessions of the Provincial Council, and last session carefully examined correspondence between the General Government and the Provincial Government of Canterbury, relating to the contract between that Province and Messrs. Holmes and Co., respecting the legality of payment for work in Crown Lands. Also, the correspondence between the Provincial Government and Messrs. Holmes and Co., respecting the evasion of the above difficulty, proposed by the former and accepted by the latter; and the return of the lands alienated, in accordance with the contract entered into by the Provincial Government with Messrs. Holmes and Co., all of which papers were laid on the table of the above Provincial Council last session.

W. C. Walker, Esq.
Continued.

47. Be so good as to state to the Committee in a concise form the regulations affecting the disposal of these lands, both as regards ordinary public works, and also railways?—By a clause in the Waste Lands Regulations of Canterbury, one thousand acres is the largest amount of acreage to be alienated in payment for public works, in any one year—the number of acres to be reserved on the map in the Survey Office, at the commencement of the contract until its completion. This is the only alienation contemplated by the Land Regulations (speaking from memory, and without a copy of the Regulations to refer to); but in the case of the Great Southern Railway of Canterbury a contract was entered into by the Superintendent, and sanctioned by the Provincial Council, to pay a certain portion of the contracted price in Crown Lands, to be selected as the payments came due, and in any part of the Province.

48. Are you of opinion that, with reference to the former, full value is received for the lands alienated?—I cannot but think that contractors, in accepting such terms of payment for work done, must make, and do get, considerable allowance as difference in value between cash and Waste Lands, only profitable on improvement, and perhaps not always in a moment convertible, just as they must make allowance in accepting payment in debentures negotiable only at a certain discount.

49. Can you state the ordinary amount of depreciation, if any, of such land orders?—From personal knowledge I am not aware of any such land orders being converted into their equivalent in cash. The contractors, in the only instances which have come under my observation, have made use of them in connection with, and for the purpose of securing other investments.

50. Do the Waste Land Boards practically exercise any control over the due performance of such contracts?—Practically, the Waste Land Board has not a chance of becoming cognizant of the transaction, as will be shown in answer No. 53.

51. Can you give the Committee any information about the contract for the first Southern Railway of Canterbury?—Speaking from memory, the contract between Messrs. Holmes and Co., and the Provincial Government for the Great Southern Railway was briefly as follows: The work to be done at the rate of £6,000 per mile and to be paid half cash—one quarter debentures, the remaining quarter Crown Land at the price of £2 per acre with free selection. The Government reserving to themselves the right of paying all or more than half in cash if they thought fit, and after the completion of the first fourteen miles to be allowed with a short notice (I forget the exact date) of stopping the contract.

52. Has any question of the legality of such alienation of land arisen, and if so, what was the decision, if any?—As shewn by the correspondence laid on the table of the Provincial Council last session, the General Government pointed out the illegality of the above contract, inasmuch as it entirely disregarded the clause in the Land Regulations which specified one thousand acres as the maximum limit which could be alienated in any one year for this purpose, and after consulting its Law Officer, declared itself unable to recommend the Governor to sign the Crown Grants issued under such contract. The Provincial Government apparently accepted such decision as correct by simply acknowledging receipt of the letter of the General Government; and by immediately proposing to the contractors an evasion, which was accepted.

53. Has the illegality, or supposed illegality of such contract been met by any compromise, and if so, in what manner?—The above illegality was met by the Provincial Government proposing to the contractors to furnish them with a cheque whenever required of the amount necessary to purchase Crown Lands at the rate of £2 per acre in payment for the work done, in the proportion provided by the contract; the contractors thus handing in the cheque to the Land Board, who by this means are practically ignorant of the transfer of any Crown Land contrary to the regulations by which they are bound.

54. What is your opinion of the effect of having such Land Orders floating about the country, both as regards the sale of Crown Lands, and those in the possession of private individuals?—The effect of such issue of Crown Grants upon the sale of Waste Lands is, in the first place, to discourage *bonâ fide* settlers: as in the only instance of payments of this nature hitherto known in Canterbury, there was no restriction as to choice of locality stipulated for in the contract, and thus the best land in the Province remaining unsold has been secured by the contractors, and removed from the reach of persons wishing to purchase for *bonâ fide* settlement. A further cause of dissatisfaction to *bonâ fide* settlers is the fact, that under a contract of such a nature where no locality is specified for the land to be selected, it not unfrequently happens under this free selection that the extreme ends of the Province are spoiled of their best land, the proceeds going to benefit some other district. In the instance of the Great Southern Railway the two great blocks hitherto selected by the contractors are from two districts not even indirectly benefited by the work done. Thus another grievance and cause of jealousy is added to the others already nourished by the outlying districts against the centralizing tendencies of each Provincial Government. A further but perhaps only a prospective evil (as my experience cannot say from personal knowledge that it has yet occurred, though obviously possible) seems likely to arise from large grants of this nature to speculators, and would have the effect of depreciating both the Waste Lands remaining unsold, and the land already sold and in the occupation of private individuals; and that is the danger, that contractors in the ups and downs of trade may be