

I consider that very great care should be taken before the land is alienated—very great care indeed; *Mr. J. C. Brown.*
and not in any case in the immediate locality of the mines.

278. Is the sale of these large blocks prejudicial to the mining interest or not?—Yes; very much so. It prevents prospecting, and retards the development of the gold fields. *9th August, 1872.*

279. Is it not a fact that the auriferous workings are generally to be found in what may be called pastoral country?—Yes; as a rule, the richest workings are situated in pastoral country. The most valuable workings in Otago are mostly confined to purely pastoral country.

280. *Mr. Studholme.*] What extent of land fit for agricultural purposes has been sold to Cargills and Anderson within this block?—I believe that at least 5,000 acres of it would have been taken up within the next two years, had the whole block been thrown open for occupation, and the pastoral lease cancelled over the entire block.

281. But I want to know what extent of agricultural land it contains?—Well, I consider that, at the very least, 5,000 acres of it would have been taken up within the next two years for purely agricultural purposes.

282. Do you know the block very well?—I do.

283. Do you consider that the Government would have realized more for it if it had been thrown open to small settlers?—Under the present system, the Government would have received, as rent, 2s. 6d. per acre per annum for three or seven years, at the expiry of which period, 20s. per acre would have been paid as the purchase price, in addition to which a large sum would be annually received by the Government as depasturing fees from settlers within the block.

284. Could the Government have sold the whole block, the entire block throughout, and realized prices equal to that paid by Cargills and Anderson for it? What I want to know is, in your opinion, was this sale, financially, a good one for the Province?—I believe that 16s. per acre was a fair price for the land; but, financially speaking, I consider the interests of the Province would have been better served if this land had been thrown open for occupation by the many, instead of being sold in one block.

285. Would not the Government have had to pay compensation if the land had been taken for small settlement?—They would have had to pay the same rate as they have paid. The Government has no power to take the land from the runholders during the currency of their lease, unless by payment of compensation.

286. Do you consider the sale of land in large blocks, of purely pastoral country, to be against the interest of the Province?—No, if it is known not to be auriferous, and not contiguous to settlements.

287. In reply to other questions put by *Mr. Studholme*, the witness said that he was not aware of any particular discoveries having been made on this particular block, but he knew the Lammerlaw Range immediately behind it, where a number of miners were working at the present time, and he knew of his own knowledge that they were doing very well. In this district, payable gold was got on the snow line, it being purely summer pastoral country.

Mr. B. HALLENSTEIN in attendance, and examined.

288. *The Chairman.*] I am a Member of the General Assembly of this Colony. I have been long and intimately acquainted with the Otago Gold Fields.

289. We are desirous of having your evidence respecting the policy of the sale of large blocks of land to the pastoral tenant, without competition; blocks of land of, say, twenty, or fifty, or ten thousand acres. Are sales of that kind, in your opinion, beneficial, or are they injurious, to the settlement and mining interests?—I believe the sale of such blocks, especially on the gold fields, to be very injurious, and more so if sold without competition.

290. What are your reasons for coming to that conclusion?—Because, in my opinion, it will have the effect of prejudicing both the agricultural and mining interests.

291. Are there many blocks of land on the gold fields, not considered to be auriferous, afterwards found to be so?—There are many blocks of that kind upon the gold fields. The Carrick Range, for example, at Cromwell, has, within the last year or so, been found to be one mass of quartz veins. Had that country been sold, these discoveries would not have been made.

292. Have you observed that the auriferous country of Otago is, for the most part, comprised within rough pastoral country?—Yes. Gold fields have generally been discovered in the rough pastoral country.

293. You are very well acquainted with the Wakatipu district, are you not?—I am.

294. If the lands of that district had been sold in large blocks, would it have maintained the prosperity it has done?—I have no doubt but that it would have been injurious to the interests of the district, both direct and indirect, inasmuch as that it would not have maintained the large consuming population it does, and the same price for the land would not have been got that has been obtained under the leasing system.

295. Do you remember the time when the policy of letting that district to the runholders was considered the most advisable, on account of an opinion that the place was unfit for agricultural operations?—I remember the time when the Wakatipu district was considered unfit to grow cereals; now it is considered one of the finest grain-growing places in Otago.

296. What is the elevation of the district above sea level?—I am not very sure. It must be from 1,000 to 2,000 feet above the level of the sea. Despite its elevation, however, even on the Crown Range splendid crops were grown last year.

297. Is it not a fact that what is called rough pastoral country not unfrequently turns out to be the richest auriferous land?—Yes.

298. If the pastoral country could be purchased by the runholders at 10s. per acre, do you think they would generally be disposed to purchase their runs?—I believe so.

299. What do you consider the best system of agricultural settlement for the gold fields—selling the land in large blocks, or the leasing system?—My experience of the leasing system is, that it works

Mr. Hallenstein.

9th August, 1872.