

REPORT

OF

THE SELECT COMMITTEE

ON

THE ADMINISTRATION OF THE WASTE LANDS
OF OTAGO;

TOGETHER WITH

MINUTES OF PROCEEDINGS AND EVIDENCE.

REPORT BROUGHT UP 22ND AUGUST, 1872, AND ORDERED TO BE PRINTED.

WELLINGTON.

—
1872.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

TUESDAY, THE 23RD DAY OF JULY, 1872.

Ordered, That a Select Committee be appointed to inquire into the administration of the Otago Waste Lands Act by the Waste Lands Board of the said Province, in selling large blocks of land on the Gold Fields—to wit, 20,000 acres of land in the Teviot district, in the Province of Otago, to Messrs. Cargill and Anderson; and to report within ten days whether such sale is legal, and whether or not it is injurious to the present and future development of the mining and agricultural interests of the district in which such land is situated, as well as the Colony generally. Such Committee to consist of Mr. Studholme, Mr. Luckie, Mr. Speaker, Mr. J. E. Brown, Mr. J. C. Brown, Mr. O'Neill, Mr. Sheehan, the Hon. Mr. Reeves, Mr. Thomson, Mr. Murray, and Mr. T. L. Shepherd; five to be a quorum; with power to call for persons and papers.

THURSDAY, THE 1ST DAY OF AUGUST, 1872.

Ordered, That the Otago Waste Lands Inquiry Committee have leave to postpone the bringing up their Report for ten days.

TUESDAY, THE 13TH DAY OF AUGUST, 1872.

Ordered, That the Otago Waste Lands Administration Inquiry Committee have leave to postpone the bringing up their Report for seven days.

REPORT OF THE OTAGO WASTE LANDS ADMINISTRATION INQUIRY COMMITTEE.

THE Committee appointed to inquire into the administration of the Otago Waste Lands Board of the said Province have the honor to report that they have arrived at the following Resolutions:—

1st. That the sale is not in contravention of the Land Laws in force within the Province.

2nd. That the Provincial Government, before proceeding to sell, obtained the sanction of the Provincial Council to the sale of 50,000 acres, in terms of the following resolution:—"That, with a view to place the Government in a position to provide revenue to meet the expenditure of the votes in the appropriation of the present Session, this Council resolves to authorize the Government to dispose of 50,000 acres of land, in one or more blocks, provided that no block of an area of less than 10,000 acres shall be sold under this resolution, nor shall any block be sold known to be payably auriferous."

3rd. That a fair price was obtained for the land.

4th. That the block in question does not appear to be of a payably auriferous character, and, so far, the sale was not in contravention of the resolution of the Council.

5th. That the evidence before the Committee as to the area of agricultural land within the block is very conflicting—the report of the Geodesical and Inspecting Surveyor of the Province being, "that for agricultural settlement the land is wholly unsuitable;" while other witnesses variously estimate the area from 1,000 up to 10,000 acres of land fit for agricultural purposes.

6th. That as to the policy of disposing of land in large blocks, the Committee are clearly of opinion that it is not to the interest of the Province or the Colony that sales should be allowed to take place as in the present instance; and that upon any sale of land, of whatever description, the opportunity should be given to the whole public of competing.

7th. That no land comprising within it any considerable extent suitable for agriculture or likely to prove auriferous should be sold in large blocks.

8th. That it was generally admitted by the several witnesses that lands unfit for agricultural purposes are the most likely to prove to be auriferous; and the Committee are of opinion that, in disposing of large blocks of pastoral country, the Crown should reserve to itself the right to authorize mining on such blocks, subject to reasonable conditions for compensation.

THOMAS LUTHER SHEPHERD,
Chairman.

Wellington, 22nd August, 1872.

MINUTES OF PROCEEDINGS.

THURSDAY, 25TH JULY, 1872.

The Committee met pursuant to notice.

Mr. J. C. Brown, Mr. J. E. Brown, Mr. W. A. Murray, Mr. O'Neill,	PRESENT :	Mr. Sheehan, Mr. T. L. Shepherd, Mr. Speaker, Mr. Studholme,
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Mr. Thomson.

Moved by Mr. Studholme, That Mr. Shepherd do take the chair. Carried.

Moved by Mr. Speaker, That the Chairman and Mr. Sheehan be empowered to prepare a case to be submitted to the Attorney-General, such case to be submitted to a future meeting of the Committee. Carried.

The Committee then adjourned until Saturday next, at 11 o'clock.

SATURDAY, 27TH JULY, 1872.

The Committee met pursuant to adjournment.

Mr. J. C. Brown, Mr. Murray, Mr. O'Neill.	PRESENT :	Mr. Studholme, Mr. Thomson.
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Mr. T. L. Shepherd in the Chair.

The minutes of the previous meeting were read and confirmed.

Moved by Mr. O'Neill, That the case as read be submitted to the Attorney-General for his opinion. Carried.

Mr. J. C. Brown handed in a letter from Mr. T. M. Kinaston to the Colonial Secretary, dated the 20th July, 1872; also copy of telegrams. It was resolved that same should be copied, and placed in the minutes of the proceedings of the Committee. (Appendix B.)

Mr. J. C. Brown moved, That Mr. Chairman be empowered to take evidence by telegram as to the nature of the land sold to Messrs. Cargill and Anderson, and whether it is prejudicial to the agricultural and mining interests of the Teviot District. Carried.

The Committee then adjourned until further notice.

TUESDAY, 6TH AUGUST, 1872.

The Committee met pursuant to notice.

Mr. J. C. Brown, Mr. J. E. Brown, Mr. Luckie, Mr. Murray,	PRESENT :	Mr. O'Neill, Mr. Sheehan, Mr. Studholme, Mr. Thomson.
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Mr. T. L. Shepherd in the Chair.

The minutes of the previous meeting were read and confirmed.

The case which had been submitted for the opinion of the Attorney-General, and his replies thereto, were then read by the Chairman. (Appendix A.)

Telegrams, &c., in evidence, were laid before the Committee and read. (Appendix C.)

Moved by Mr. J. C. Brown, That Mr. D. Reid, the Hon. Captain Fraser, M.L.C., and Mr. Anderson be requested to attend to give evidence. Carried.

Moved by Mr. O'Neill, That Mr. Bradshaw be likewise requested to attend. Carried.

Mr. Murray attended, and was examined.

The Committee then adjourned till 11 a.m. to-morrow.

WEDNESDAY, 7TH AUGUST, 1872.

The Committee met pursuant to adjournment.

Mr. J. C. Brown, Mr. Luckie, Mr. O'Neill,	PRESENT :	Mr. Sheehan, Mr. Studholme, Mr. Thomson.
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Mr. T. L. Shepherd in the Chair.

The minutes of the previous meeting were read and confirmed.

Mr. D. Reid attended, and was examined.

In course of examination, Mr. Reid handed in plan and copy of Report of the Chief Surveyor, Otago, on the block of 20,000 acres on Messrs. Cargill and Anderson's run, No. 199. (Appendix D.)

Mr. Reid was thanked, and withdrew.

The Committee then adjourned till 11 a.m. to-morrow.

THURSDAY, 8TH AUGUST, 1872.

The Committee met pursuant to adjournment.

PRESENT:

Mr. J. C. Brown,
Mr. J. E. Brown,
Mr. Luckie,
Mr. Murray,

Mr. O'Neill,
Mr. Sheehan,
Mr. Studholme,
Mr. Thomson.

Mr. T. L. Shepherd in the Chair.

The minutes of the previous meeting were read and confirmed.

Hon. Captain Fraser, M.L.C., attended, and was examined.

Captain Fraser was thanked, and withdrew.

Moved by Mr. Studholme, That Mr. Luckie do take the chair, to enable the Chairman to give evidence. Carried.

Mr. T. L. Shepherd then left the chair, and was examined.

The Committee then adjourned till 11 a.m. to-morrow.

FRIDAY, 9TH AUGUST, 1872.

The Committee met pursuant to adjournment.

PRESENT:

Mr. J. C. Brown,
Mr. Luckie,
Mr. Murray,
Mr. O'Neill,

Mr. Sheehan,
Mr. Speaker,
Mr. Studholme.

Mr. T. L. Shepherd in the Chair.

The minutes of the previous meeting were read and confirmed.

Mr. E. R. Anderson attended, and was examined.

Mr. E. R. Anderson was thanked, and withdrew.

Mr. W. Fraser attended, and was examined.

Mr. W. Fraser was thanked, and withdrew.

The Committee adjourned till 11 a.m. on Tuesday, 13th August.

TUESDAY, 13TH AUGUST, 1872.

The Committee met pursuant to adjournment.

PRESENT:

Mr. J. C. Brown,
Mr. O'Neill,

Mr. Sheehan.

Mr. T. L. Shepherd in the Chair.

There being no quorum, the Committee stood adjourned.

WEDNESDAY, 14TH AUGUST, 1872.

The Committee met pursuant to notice.

PRESENT:

Mr. J. C. Brown,
Mr. J. E. Brown,
Mr. Luckie,

Mr. Murray,
Mr. Sheehan,
Mr. Studholme.

Mr. T. L. Shepherd in the Chair.

The minutes of Friday's meeting were read and confirmed.

Mr. J. C. Brown attended, and was examined.

Mr. J. C. Brown was thanked, and withdrew.

Mr. Hallenstein attended, and was examined.

Mr. Hallenstein was thanked, and withdrew.

A letter from the Secretary of the Progress Association was read. (Appendix E.)

The Committee then adjourned till half-past 10 a.m. on Thursday, the 15th.

THURSDAY, 15TH AUGUST, 1872.

The Committee met pursuant to adjournment.

PRESENT :

Mr. J. C. Brown,	Mr. Sheehan,
Mr. Luckie,	Mr. Studholme,
Mr. Murray,	Mr. Thomson.
Mr. O'Neill,	

Mr. T. L. Shepherd in the Chair.

The minutes of Tuesday and Wednesday's meetings were read and confirmed.

Moved by Mr. Studholme, That though the sale was strictly within the letter of the law, yet that, in the opinion of the Committee, it was contrary to the intention of the Act. Carried.

Moved by Mr. Sheehan, That the Provincial Government, before proceeding to sell, obtained the sanction of the Provincial Council to the sale of 50,000 acres in terms of the following resolution:—

"That, with a view to place the Government in a position to provide revenue to meet the expenditure of the votes in the appropriation of the present Session, this Council resolves to authorize the Government to dispose of 50,000 acres of land in one or more blocks; provided that no block of an area of less than 10,000 acres shall be sold under this resolution, nor shall any block be sold known to be payably auriferous." Carried.

Moved by Mr. Studholme, That a fair price was obtained for the land. Carried.

Moved by Mr. Sheehan, That the block in question does not appear to be of a payably auriferous character, and so far the sale was not in contravention of the resolutions of the Council. Carried.

Moved by Mr. J. C. Brown, That the evidence as to the extent of agricultural land is very conflicting—varying from nothing up to 10,000 acres. That your Committee, after weighing the evidence, is of opinion that the block, though first-class pastoral country, may be estimated to contain 3,000 acres of land suitable for tillage.

On this motion the Committee divided.

For, 3.

Mr. J. C. Brown,
Mr. Murray,
Mr. O'Neill.

Against, 4.

Mr. Luckie,
Mr. Sheehan,
Mr. Studholme,
Mr. Thomson.

The motion was therefore lost.

Moved by Mr. Sheehan, That the evidence before the Committee as to the area of agricultural land within the block is very conflicting, the report of the Geodesical and Inspecting Surveyor of the Province being, "that for agricultural settlement the land is wholly unsuitable;" while other witnesses variously estimate the area from 1,000 up to 10,000 acres of land fit for agricultural purposes.

Moved by Mr. J. C. Brown, as an amendment, That all words after "conflicting" be struck out.

On this amendment the Committee divided.

For, 1.

Mr. J. C. Brown.

Against, 5.

Mr. Luckie,
Mr. O'Neill,
Mr. Sheehan,
Mr. Studholme,
Mr. Thomson,

The amendment was therefore lost.

The Committee then divided on the original motion.

For, 5.

Mr. Luckie,
Mr. O'Neill,
Mr. Sheehan,
Mr. Studholme,
Mr. Thomson.

Against, 1.

Mr. J. C. Brown.

The motion was therefore carried.

Moved by Mr. Sheehan, That as to the policy of disposing of land in large blocks, the Committee are clearly of opinion that it is not to the interest of the Province or the Colony that sales should be allowed to take place as in the present instance; and that upon any sale of land, of whatever description, the opportunity should be given to the whole public of competing. Carried.

Moved by Mr. Studholme, That no land comprising within it any considerable extent suitable for agriculture, or likely to prove auriferous, should be sold in large blocks. Carried.

Moved by Mr. Sheehan, That it was generally admitted by the several witnesses that lands unfit for agricultural purposes are the most likely to prove to be auriferous; and the Committee are of opinion that, in disposing of large blocks of pastoral country, the Crown should reserve to itself the right to authorize mining on such blocks, subject to reasonable conditions for compensation. Carried.

Moved by Mr. Studholme, That No. 1 motion standing in his name be reconsidered. Carried.

Moved by Mr. Sheehan, That in lieu of No. 1 the following be substituted:—

"That the sale is not in contravention of the Land Laws in force within the Province."

On this motion the Committee divided.

For, 5.

Mr. Luckie,
Mr. O'Neill,
Mr. Studholme,
Mr. Sheehan,
Mr. Thomson.

Against, 1.

Mr. J. C. Brown.

The motion was therefore carried

Moved by Mr. J. C. Brown, That Mr. Sheehan and Mr. T. L. Shepherd be instructed to draw up a report embodying the resolutions. Carried.

The Committee then adjourned *sine die*.

APPENDIX A.

CASE for the Opinion of the Attorney-General submitted by a Select Committee of the House of Representatives.

Counsel's attention is drawn to "The Otago Waste Lands Act, 1866," especially clause 123 of same. Also to "The Gold Fields Act, 1866," (clause 49), and the Agricultural Leasing Regulations (Otago) made thereunder. Counsel is asked for his opinion on the following points:—

Opinion.

1. Does "The Waste Lands Act, 1866," by the pastoral lessees consenting to the suspension of their leases, give power to the Waste Lands Board to sell blocks of land of unlimited dimensions to them, included in the leases so suspended?

1. There is no limit to the quantity of land that may be sold in one block in a hundred; and consequently, as land over which a pastoral lease exists may be sold, with consent of lessee, as if included in a hundred, there is no limit to the quantity of land that may be sold outside a hundred, if lessee consents. (See section 83 of "Otago Waste Lands Act, 1866.") The land may be sold either to lessee or another person.

2. Admitting that the Waste Lands Board had such power, would it be necessary to withdraw lands intended to be sold, by Proclamation, from the gold fields before the same could be withdrawn from the operation of the Gold Fields Act and the Regulations made thereunder, and dealt with under the Waste Lands Act?

2. It would not be necessary to withdraw such land by Proclamation: See section 48 of "Gold Fields Act, 1866," and section 123 of "Otago Waste Lands Act, 1866." By the first section above referred to, it is provided that land within a gold field cannot be dealt with under Waste Lands law, except so far as the Waste Lands law specially authorizes such sale. The other section referred to—namely section 123 of Otago Waste Lands Law—does specially authorize it, if a pastoral lease does not exist, or has been cancelled or suspended.

3. Does the Gold Fields Act and the Regulations made thereunder (attention is particularly called to the 49th clause) prevent the Waste Lands Board from disposing of land under the provisions of "The Otago Waste Lands Act, 1866," and of dealing with such land, unless under the said "Gold Fields Act, 1866," and Regulations?

3. The answer to (2) answers also this. The land, though in a gold field, can be dealt with under the Waste Lands Act, without reference to the provisions of the Gold Fields Acts or Regulations.

4. Counsel's attention is drawn to the fact that the Gold Fields Act was passed after the Otago Waste Lands Act, although both were passed on the same day; and his opinion is asked as to whether, in the event of a conflict taking place between them, the Gold Fields Act, being the most recent, will override the Waste Lands Act?

4. As the 49th section of "The Gold Fields Act, 1866," distinctly authorizes the dealing with lands under the Waste Lands Acts, even without withdrawal by Proclamation, the question raised is immaterial. Were this not so, I think that the land could only have been sold under the Gold Fields clauses, unless the land was withdrawn by Proclamation from the Gold Fields.

5. Counsel is asked whether he thinks the spirit and intention of the Bills have been violated by the Waste Lands Board, in selling to two persons blocks of land in excess of 200 acres—namely, 50,000 acres and 20,000 acres?

5. I cannot say that there is anything expressed in "The Otago Waste Lands Act, 1866," that shows an intention that the public should be informed of what land is open for sale, except in the case of surveyed land: See section 24. Nevertheless, it seems to me that the provisions of the Act, requiring that land shall be put up to auction if more than one person apply on the same day for the same land, suppose that the public at large shall have the opportunity of knowing whether land is open for sale. If by arrangement between the pastoral tenant and the Waste Lands Board the lease is suspended and no notice to the public given, this practice is equivalent to a right of pre-emption over the whole of the land leased, and the provision as to putting up land to auction if two applicants apply on the same day is illusory. But there is a safeguard provided by the Act, namely, that the Waste Lands Board are not obliged to sell the land applied for; they have a power to refuse to grant the application if the public good requires it.

J. PRENDERGAST.

3rd August, 1872.

APPENDIX B.

TELEGRAM from Mr. KINASTON to the Hon. the COLONIAL SECRETARY.

WASTE Land Board agreed to sell 20,000 acres Teviot Run to pastoral lessee; one-third of block is good agricultural land. If sold, ten miles payable auriferous river frontage will be permanently closed.

Roxburgh, 3rd July, 1872.

J. KINASTON,
Secretary, Progress Committee.

TELEGRAM from Mr. J. T. THOMSON to the SECRETARY of CROWN LANDS.

CARGILL and Anderson hold pastoral lease Run 199. On 1st July they by letter agreed to open 20,000 acres of it for sale under clauses 83 and 123 "Otago Land Act, 1866," and the Waste Lands Board on the same day agreed to open the land for sale. On the 2nd July, Cargill and Anderson put in an application to purchase it. On the 3rd this was brought before the Board, and received, the Chief Commissioner not voting. At the same time I received an extract from the minutes of the Executive Council, dated 1st July, agreeing to accept the offer of Cargill and Anderson, and to allow the sale of 20,000 acres of their run. The necessary deposit of £2,000 has been paid to the Receiver of Land Revenue.

Dunedin, 4th July, 1872.

J. T. THOMSON.

MEMORANDUM by the ATTORNEY-GENERAL.

THE HON. COLONIAL SECRETARY,—

Assuming that the lease was cancelled over the part sold before the sale, I cannot say that there was anything contrary to the law in the sale.

The case is simply this, that the Otago Waste Lands law gives to runholders, if the Waste Lands Board and Superintendent choose to be parties to the transaction, a right of pre-emption at £1 per acre over their runs. The public cannot compete, for they have no notice that the land is open for sale.

8th July, 1872.

J. PRENDERGAST.

TELEGRAM from the ATTORNEY-GENERAL to Mr. KINASTON.

WHY does Mr. Kinaston write to the Colonial Secretary? Why does not he, and why do not they who object to the sale, proceed, if they think the sale illegal, to test the legality of the sale. In Clarke's case, they appeared before the Waste Lands Board; their objection was overruled by the body which the Legislature has intrusted with the administration of the waste lands. That body had power to disallow the sale. It has not chosen to do so.

8th July, 1872.

J. PRENDERGAST.

TELEGRAM from Mr. KINASTON to the Hon. the COLONIAL SECRETARY.

SALE 20,000 acres to Cargill and Anderson really means the permanent alienation of one hundred square miles of country, and would prove ruinous to the district. It is felt that the General Government only can avert this disgraceful sacrifice of the public interests.

9th July, 1872.

J. M. KINASTON, Secretary,
Progress Committee.

TELEGRAM from the ATTORNEY-GENERAL to Mr. KINASTON.

YOU and those with whom you are acting seem to be under the impression that the General Government is legally empowered to prevent the sale to Cargill and Anderson. Will you point out what authority there is for such a supposition? I am not aware of any facts connected with this sale which render it invalid. If you are, will you inform me fully? Whether or not it is impolitic is a question for those in whom the Legislature has vested the administration of the waste lands of the Crown. Full reply had better be sent in letter.

12th July, 1872.

JAMES PRENDERGAST.

Mr. KINASTON to the Hon. the COLONIAL SECRETARY.

SIR,—

Teviot, 20th July, 1872.

I have the honor to acknowledge receipt of your telegram of 12th instant (*Re* sale to Cargill and Anderson), and in reply would respectfully submit for your consideration the following points in connection therewith:—

1. That the said lands are within the Otago Gold Fields, and have not been withdrawn therefrom, as provided for by the Acts regulating the sale of lands situate within gold fields.

2. That the pastoral lease has not been cancelled, nor the land declared open for sale or selection by Proclamation, as required by the Waste Lands Act.

3. That as the Waste Lands Act requires that all rural land shall be open to the public for sale or selection, I respectfully submit that, looking to this and to the provisions of the Act generally, it is not competent for the Waste Lands Board to enter into a private contract for the sale of land, more especially within gold fields.

4. That the sale is prejudicial to the public interest, inasmuch as it will lock up an important district from settlement for all time to come, and is on all sides regarded as an utter sacrifice of the public interest, comprising as it does a large extent of auriferous and good agricultural land.

5. In an exactly similar case—that of the sale to Clarke, at Moa Flat, in this neighbourhood—the Attorney-General's opinion is directly adverse to the legality of the sale.

6. The Report of the Select Committee of the Legislative Council appointed last Session to inquire into the Moa Flat sale applies with even greater force to the sale of this land.

In conclusion, I would respectfully point out that when, a few years ago, the Provincial Government had under consideration the sale of the Wakatipu runs, the General Government of the day interposed, and to that fortunate circumstance can be clearly traced the prosperity of what is now undoubtedly the leading inland town in Otago.

This district possesses resources second only to those of the Wakatipu, and would, from the facilities which exist therein for combining the two industries of agriculture and gold mining, if opened for settlement, be capable of supporting a large population. This will be for ever rendered impossible if the disgraceful and notoriously illegal acts of the Provincial Government be permitted to be carried out.

I have, &c.,

JOHN M. KINASTON,

Secretary, Progress Association.

The Hon. the Colonial Secretary, Wellington.

Mr. HORACE BASTINGS to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Lawrence, 17th July, 1872.

I have the honor to inform you that a public meeting was held here on Monday, the 15th instant, as per notification annexed hereto, when the following resolutions were proposed and carried unanimously, viz. :—

“That this meeting solemnly protests against the sale of large blocks of land within gold fields by the Executive and the Waste Land Board of this Province, as contrary to the spirit and letter of the Gold Fields and Waste Lands Acts, and peculiarly prejudicial to the interests of the gold fields.”

“That the aid of the Executive Government of the Colony be asked, to take the necessary steps to prevent any further sale of lands in large blocks within gold fields, and to prosecute the individuals who have been guilty of entering into the late contracts for the sale of such blocks.”

“That the Chairman be requested at once to communicate with the Colonial Secretary on the subject of the above resolutions.”

I have, &c.,

HORACE BASTINGS,

Mayor of Lawrence.

The Hon. the Colonial Secretary, Wellington.

Enclosure.

SIR,—

Lawrence, 4th July, 1872

The Provincial Government and Waste Land Board of the Province of Otago, being apparently determined, in defiance of law and justice, to sacrifice the interests of the gold fields and the Province generally, by privately selling large blocks of land, we deem it our duty to request you to call a public meeting of the inhabitants of this district to protest against their action, and to consider what steps may be taken to prevent their carrying out purposes so fatal to the interests of the country.

We are, &c.,

To Horace Bastings, Esq., Mayor of Lawrence.

[Here follow fifty signatures.]

IN accordance with the above request, I hereby convene a public meeting, at the Council Chambers, Lawrence, on Monday evening, at 8 p.m.

Lawrence, 9th July, 1872.

HORACE BASTINGS, Mayor.

APPENDIX C.

TELEGRAM from CHAIRMAN, Otago Waste Lands Inquiry Committee, to Mr. J. B. BORTON, Warden, Roxburgh.

1. Do you know the block of land lately sold by the Waste Lands Board of Otago to Cargill and Anderson?
2. Does it contain any land suitable for agriculture; and if it does, how much?
3. Does it to your knowledge contain any auriferous land?
4. Are there any water races within the block?
5. Is the sale injurious to the mining or agricultural interests of the district.
6. What is the opinion of the inhabitants of the district on the sale?
7. Give any further information you can on the subject.

T. L. SHEPHERD,

Chairman.

Wellington, 27th July, 1872.

Similar telegrams forwarded same day to—John Beighton, Roxburgh; G. F. Mackay, Roxburgh; R. Eady, care of Mackay; J. M. Kinaston, Roxburgh; Robt. McLeod, care of Mackay.

TELEGRAM from Mr. BORTON to the CHAIRMAN, Otago Waste Lands Inquiry Committee.

I HAVE not been over the land but know its situation. Believe it includes agricultural block already surveyed. Would judge from what I hear that the whole block must contain three or four thousand acres of agricultural land. Ground has not been prospected, but gold was found in post hole. Consider sale injurious both to mining and agricultural interests. People generally consider great injustice done to district.

Roxburgh, 29th July, 1872.

BORTON.

TELEGRAM from Mr. BORTON to the CHAIRMAN, Otago Waste Lands Inquiry Committee.

AGRICULTURAL block I find not included in sale. My estimate of three or four thousand acres of agricultural land is low.

Roxburgh, 29th July, 1872.

BORTON.

TELEGRAM from Mr. J. BEIGHTON to the CHAIRMAN, Otago Waste Lands Inquiry Committee.

I SEND you following answers to your questions. 1. Yes; having, since receipt of your telegrams, been over the greater part of it. 2. Yes; I should estimate 8,000 acres of good agricultural land. 3. I cannot say of my own knowledge that it contains auriferous land, but am informed there are several gullies towards head of Teviot River in which gold has been found. 4. The only water races I know of within the block are the head portions of some taking water out of Teviot River. 5. The sale would not be injurious to mining interests provided sufficient reservations were made to enable races to be constructed from Teviot River sufficiently high to command the auriferous east bank of the Molyneux below Teviot junction, and provided gullies referred to are not auriferous. 6. Agricultural interest would unquestionably be prejudicially affected by such an extent of good agricultural land being taken from this district, already crippled by sale of the "Island Block," and other lands in large blocks. 7. Opinion of inhabitants strongly averse to this particular sale, and to sale of any agricultural land except under a system conducive to settlement of population. Strip of land reserved between river and block, with exception of a few patches of good flat land, is inferior in value to land within the block. There is no commonage in the district except a block on top of Mount Bengier, difficult of access, and useless in winter; and consider, previous to any sale, land within gold field should be carefully examined and reported upon by competent persons.

Roxburgh, 29th July, 1872.

JOHN BEIGHTON.

TELEGRAM from GEO. F. MACKAY to the CHAIRMAN, Otago Waste Lands Inquiry Committee.

I KNOW the block of land sold to Cargill and Anderson. It contains about 9,000 acres of good agricultural land. There has been gold found in different places within the block, but the difficulty of bringing water to bear has hitherto prevented the ground from being worked. The heads of five water races are within the block, and one is almost entirely within the block. The sale will prove ruinous to the mining interests, as it will prevent about eight miles of river frontage, known to be highly auriferous, from being worked. Besides the auriferous land within the block, it will stop the construction of any other races from the only source of water supply, namely, the Teviot River, and prevent the existing races from being altered or extended. The sale will most seriously injure the agricultural interest, as a large extent of excellent land, both within the block and in rear, will be completely shut out from settlement. The level land between the block and the river is far inferior to that within the block. The unanimous feeling of the inhabitants is strongly opposed to the sale. To show the demand that exists for land, a block of nearly two thousand acres on Moa Flat, of a quality inferior to the greater portion of the 20,000 acre block on Cargill and Anderson's Run, recently sold by auction, realized over 33s. per acre. From the peculiar configuration of the country, the sale of this 20,000 acre block means, in reality, the sale of the whole run. It is universally felt that in effecting this sale the Provincial Government has sacrificed the permanent welfare of this district, the source of a large future revenue, for a consideration altogether inadequate.

Roxburgh, 31st July, 1872.

G. F. MACKAY.

TELEGRAM from Mr. EADY to CHAIRMAN, Otago Waste Lands Inquiry Committee.

I KNOW the land on Cargill and Anderson's run, and am of opinion that at least one half is suitable for agriculture; but if the land were thrown open for settlement, a considerable additional extent of land not suitable for agriculture, equal to the remaining two-thirds of the 20,000-acre block, could be disposed of by the Government at the same figure as that obtained for good agricultural land. In confirmation of this fact, I would point to the experience gained in connection with all the blocks already thrown open, proving that the settlers are willing to pay almost any price for inferior land adjoining their holdings. I believe a portion of the block is auriferous. There are several water races partly in the block—one, I believe, altogether included in the block. The sale will prove injurious to both the agricultural and mining interests: to the agricultural interest, because it will prevent a large extent of good land ever being anything other than a sheep run; and it will be fatal to the mining interest. About nine miles of payably auriferous river-frontage will be prevented from being worked. No new races can be taken from the Teviot River if the freehold of the land is acquired by a private individual. The opinion of all the people in this district is against the sale; their opinion of the authorities is, that they are administering the public estate for the benefit of one class, and it would be much better to sell the whole extent of the run than permit the eyes of the country to be picked out as in the manner of the recent sales.

Roxburgh, 31st July, 1872.

R. EADY.

TELEGRAM from Mr. KINASTON to CHAIRMAN, Otago Waste Lands Inquiry Committee.

KNOW the block well; estimate it to contain one-half first-class agricultural land. It has not been thoroughly tested for auriferous deposits; it is reported to contain quartz reefs. The inhabitants are to a man against the sale. Petitions against the sale have been sent to the Waste Lands Board. The block includes the Teviot River, from which there are being lifted at the present time fifty-five heads of water, and other races are in contemplation. For fully nine months in the year 500 heads of water could be had from this source, and at such an elevation as to command a distance of forty miles along the banks of the Molyneux River. The whole of the said banks, wherever they have been tested, are payably auriferous.

To show the state of public feeling prevailing, the following, among other resolutions, were unanimously passed at a large public meeting here on Monday last:—That the statement reported to have been made by Reid and Mervyn, with regard to the block of land applied for by Cargill and Anderson not containing fifty acres of agricultural land, is utterly false and without the slightest foundation. 2. That the sale of the proposed block to Cargill and Anderson will be both injurious and tend to effectually stop all agricultural settlements and mining industry in this part of the country;

that the block embraces near 10,000 acres of good agricultural land, besides an extent of country proved to be auriferous, and that quartz reefs are reported to exist within the block. The meeting indignantly protest against the sale of large blocks of land within gold fields, and that the General Government be requested to veto the contract entered into by the Waste Lands Board to sell privately to the lessees of Run No. 199 20,000 acres of land, as being a gross violation of law, and to take the necessary steps to prevent any further sales of large blocks within the gold fields in future. That the co-operation of the various mining districts be invited, with the view of making an appeal to the General Government to take the control of the gold fields out of the hands of the Provincial Executive, and have them either erected into a County, or the Colonial Government to administer their affairs as should be deemed most advisable.

Roxburgh, 31st July, 1872.

T. M. KINASTON.

TELEGRAM from Mr. McLEOD to CHAIRMAN, Otago Waste Lands Inquiry Committee.

I KNOW the 20,000 acre block on Cargill and Anderson's run. Consider more than one-half is good agricultural land. Gold has been found in the block, and will, in my opinion, prove payable when a proper water supply is brought in. I understand that all the Teviot water races are more or less within the block. The sale will damage both the miners and every settler—in fact, every resident in the Mount Benger district except the runholders, who may now be said to be proprietors of the whole country side. All the inhabitants, without exception, are against the sale. Not only will the sale prove injurious to the further interests of the place, but those at present residing here, who in good faith expended their capital on the strength of the fulfilment of the repeated promises of the Provincial Government to throw open the land, will be serious losers, and many will be compelled to leave the district.

Roxburgh, 31st July, 1872.

R. McLEOD.

APPENDIX D.

Messrs. CARGILL and ANDERSON's Application to Purchase 20,000 Acres of Land on Run 199.

Memorandum by Secretary for Land and Works.

THE Chief Surveyor is requested to report on the nature and quality of the land shown on the tracing annexed, its elevation and general character, whether any and (if any) what proportion of it is fitted for agricultural settlement, and what for pastoral purposes only.

The land fitted for agriculture should be indicated on the plan in a separate colour.

27th June 1872.

D. REID,
Secretary for Land and Works.

DEPARTMENT of LANDS and SURVEY, Otago.

Memorandum for Chief Surveyor.

THE block of 20,000 acres on Run 199, and marked on accompanying tracing, consists principally of a mountain ridge, with numerous spurs and gullies running down from the Lammerlaw and Knobby Ranges to the Clutha Valley.

The front line of the block will be about 1,000 feet above sea level, and the back line over 2,000 feet; the whole area being of a general elevation between these two altitudes.

The block is intersected by the Teviot River and several minor streams, that run in rock-bound gorges—there being no extent of flat nor gently sloping land along their courses.

The country lies on schist rock, which crops out frequently, and appears on the ridges in large isolated masses.

There is no bush within the block nor adjacent to it.

For agricultural settlement, the land is wholly unsuitable—being too high, too broken, and difficult of access.

As pastoral country it is good—the irregularities of surface sheltering stock, and fostering the growth of a variety of grasses. It has also a position value, from the fact of its being winter and spring country to the high summer country on the back ranges of Lammerlaw.

Dunedin, 29th June, 1872

JAMES MCKERROW,
Geodesical and Inspecting Surveyor.

APPENDIX E.

MR. KINASTON to the HON. the COLONIAL SECRETARY.

SIR,—

Roxburgh, 2nd August, 1872.

I beg to enclose copies of resolutions passed at public meeting held here on the 29th ultimo, in respect to the sale of 20,000 acres of land agreed to by the Waste Land Board of this Province.

In a previous letter I pointed out the disastrous results which will inevitably follow, both to the agricultural and mining interests on the gold fields, if such a suicidal policy be allowed. The sale to Clarke of about 60,000 acres on Moa Flat, and the present sale of 20,000 acres to Cargill and Anderson, will have the effect of permanently locking up the best inland district in Otago from settlement—a district admittedly capable of supporting a population of several thousands if its landed estate were honestly administered.

The following are the resolutions alluded to:—

1. Proposed by Mr. Beighton and seconded by Mr. Manuel, and carried, That the sale of the proposed block to Cargill and Anderson will be most injurious—will tend to effectually stop all agricultural settlement and mining industry in this part of the country. That the block embraces near 10,000 acres of good agricultural land, besides an extent of country known to be auriferous, and that quartz reefs are reported to exist within the block.

2. Proposed by Mr. Tamblyn, seconded by Mr. Bennett, and carried, That this meeting indignantly protests against the sale of large blocks of land within gold fields; and that the General Government be requested to veto the contract entered into by the Waste Lands Board of this Province to sell privately, to the lessees of Run No. 199, 20,000 acres of land, as being a gross violation of law, and to take the necessary steps to prevent the sale being carried out, and to stop any further sales of large blocks of land within gold fields.

3. Proposed by Mr. Manuel, seconded by Mr. Tamblyn, That the Colonial Government be requested to take steps to place the members of the Waste Lands Board on their trial for illegally contracting to sell several large blocks of land within gold fields, and thereby wantonly sacrificing the public estate. Carried.

4. Proposed by Mr. Manuel, seconded by Mr. Cormack, and carried, That the statement reported to have been made by Messrs. Reid and Mervyn, with regard to the block of land applied for by Messrs. Cargill and Anderson not containing 50 acres of agricultural land, is utterly false, and without the slightest particle of foundation.

5. Proposed by Mr. Mackay, seconded by Mr. Tamblyn, and carried, That the Secretary of the Progress Committee be requested to communicate with the various districts, asking their co-operation in an appeal to the General Government to take the control of the gold fields out of the hands of the Provincial Government, with the view of having them either erected into a County, or the Colonial Government to administer their affairs, as should be deemed most advisable.

I have, &c.,

The Hon. the Colonial Secretary,
Wellington.

JOHN M. KINASTON,
Secretary, Mount Benger Progress Association.

MINUTES OF EVIDENCE.

TUESDAY, 6TH AUGUST, 1872.

W. A. MURRAY, Esq., M.H.R., in attendance, and examined.

Mr. Murray.

6th August, 1872.

The Chairman.] I am a Member of the House of Representatives for this Colony. I know the block of land referred to the consideration of this Committee. I am in a position to express an opinion regarding the quality of the land. It is what I would call first-class pastoral land. Only some portions of it here and there are fit for agricultural settlement. I am not prepared to speak as to the auriferous character of the land. Gold was not discovered till after I had left that district. A large body of water passes down the Teviot River, and I think it is absolutely necessary for some right to be reserved by the Government for taking water races through the land sold, both for purposes of mining and irrigation. I consider the principle of selling land in large blocks, to the exclusion of the small purchaser, prejudicial to the interests of the country. I think this particular sale will, to a small extent, have a prejudicial effect, seeing that there is a large extent of Crown lands behind, to which this particular land gives access. The sale of this particular block of 20,000 acres, being a frontage, might tend to exclude from sale half a million of acres behind it, if the Government should make similar sales of land on the adjoining runs.

2. *Mr. Studholme.*] What extent of agricultural land do you think is contained in this block?—There are not more than 2,000 acres, or at most 3,000 acres. On the higher parts of the block there may be some flat country, but then the altitude is much too high to make cultivation profitable.

3. *Mr. J. C. Brown.*] Is there no flat land situated between the river and the block?—Yes, there is some. The river frontage is reserved from sale. That reserve is only in part good soil, the rest being dry and shingly, and would be much benefited by irrigation.

4. *Mr. O'Neill.*] What distance is this block of land from Dunedin?—It is some eighty or eighty-five miles, I should think.

5. *Mr. Sheehan.*] Is your experience of the land founded upon actual occupation?—Yes, two years' residence.

6. Practically you occupied it as tenant?—With my brother and Mr. Musgrave.

7. Do you believe that it contains a larger proportion of agricultural land than is usually the case?—It is extremely difficult to form an opinion on that question. The extent of agricultural country varies so much in different localities, that it is impossible to answer the question. I do not think it contains a larger proportion than runs generally do in that neighbourhood.

8. *Mr. J. C. Brown.*] Is that block of land equal to any other in that district for settlement?—No; I do not consider it equal to the land sold to Mr. Clark or to Henderson's run.

9. *The Chairman.*] Is it not the next best for settlement to that?—For agricultural purposes, I consider that it is much inferior to that of Fulton and Henderson's run, adjoining.

10. In Fulton's run, how much land do you estimate is there fit for settlement?—I estimate that there is 10,000 acres of agricultural land.

11. What proportion is that?—That is a third of the whole run.

12. *Mr. Luckie.*] If this particular sale shuts up a portion of the country behind, to that extent it will be prejudicial to the interest of the district?—Yes.

13. *Mr. Sheehan.*] Will the sale of this particular block be prejudicial to the settlement of the district?—It will, to a very small extent. *Mr. Murray.*

14. *The Chairman.*] What are your reasons for saying that it will be prejudicial only to a very small extent?—Because the extent of agricultural land in the block is but small. It does not exceed more than 2,000 or 3,000 acres. 6th August, 1872.

15. *Mr. Sheehan.*] Are there any rights of commonage affected by this sale?—There are no rights of commonage existing over this land. These rights can only be given by the Provincial Council proclaiming hundreds.

16. Looking at the sale from a point of view outside of a strictly local one, do you consider the sale has operated against the interests of the Province generally?—I consider the principle of exclusively selling large blocks of land prejudicial to the interest of settlement, and, as such, it operates against the interests of the Colony at large. By these sales small buyers are practically excluded from competition, and *bona fide* settlement of an important character is thereby prevented.

17. Is there any other way in which the Government might have dealt with this land, otherwise than proclaiming it into hundreds?—Yes; they might have got the pastoral tenants to agree to have their licenses cancelled.

18. In reply to other questions put by Mr. Sheehan, the witness said that he did not, looking at the quality of the land, think that the Government would otherwise have realized so much from its sale had other means been taken for its disposal. At Tapanui, about twenty-five miles distant, on Mr. McKellar's run, a block of far superior and really good agricultural land was disposed of, at open competition, to Mr. McKellar for the upset price.

19. *Mr. Sheehan.*] What sum did this 20,000-acre block realize?—After deducting compensation rights, it was 17s. 6d. per acre, I believe.

20. *Mr. Sheehan.*] If a fair proportion of the moneys realized from the sale of these blocks was to find its way back again into the district for, say, public works and improvement purposes, would that compensate the district for the damage done to its settlement?—Yes; if a fair proportion is returned. But mark, I lay great emphasis on the words "If a fair proportion."

21. In reply to other questions put by Mr. Sheehan, the witness said that he did not think that the system in which this land was sold should be continued. He thought it advisable that some alteration should be made in the law, so as to prevent the possibility of "hole and corner" sales being made, where the public had no chance to compete.

22. *The Chairman.*] Are you aware that there has always been a kind of conflict between the agricultural settler and the pastoral tenant?—Yes.

23. Do you know the Strath Taieri Hundreds?—I know Strath Taieri, but do not know the boundaries of the hundreds referred to.

24. Do you know that when that land was thrown into hundreds it was found to contain a great extent of agricultural land?—I cannot say, unless the Chairman will specify the boundary of those hundreds.

25. In reply to further questions by the Chairman, the witness said that he knew Fulton's run; but it is not in Strath Taieri. He also knew Main's, Maitland's, and other runs in Strath Taieri and the Upper Taieri District.

26. *The Chairman.*] Is the country on these runs superior or inferior to the land on this block?—Inferior, as regards pastoral country.

27. As agricultural country?—It is better than the land on Cargill and Anderson's run. There are blocks of agricultural land scattered throughout Cargill and Anderson's block. McKellar's run brought 20s. per acre. I do not know whether or not it was properly submitted to auction. It was advertised open for public application; but I have heard the Provincial Government blamed for not putting up dummies to run McKellar up.

WEDNESDAY, 7TH AUGUST, 1872.

Mr. DONALD REID in attendance, and examined.

Mr. Reid.

28. *The Chairman.*] Do you know the block of land lately sold by the Waste Lands Board of Otago to Kellar and Anderson?—My knowledge of it is confined to a distant view. I never traversed it. I have seen it from the line of road passing through Moa Flat. 7th August, 1872.

29. Does it contain any land suitable for agriculture; and if so, how much?—I do not believe that it contains any. I give that opinion upon the report made by the officer of the Survey Department.

30. Does it, to your knowledge, contain any auriferous land?—No; not to my knowledge.

31. Are there any water races within the block?—I cannot say. If there are, their position will be defined in the survey, and reserved from sale. This is the invariable practice in disposing of land through which water races are constructed or in course of construction.

32. Is the sale injurious to the mining or agricultural interests of the district?—It cannot be injurious to the agricultural interest. As regards its effect upon the mining interest, I cannot take upon myself to say.

33. Are you not a Member of the Provincial Government of Otago and of the Waste Lands Board?—I am a Member of the Provincial Government of Otago. I am also a Member of the Waste Lands Board. The Provincial Council at its last Session passed a resolution authorizing the Government to sell certain lands in large blocks.

34. What quantity of land was so authorized to be disposed of?—50,000 acres.

35. Did the Government ask authority from the Council to enable it to sell the land in large blocks?—The authority of the Council was not necessary for that purpose. It was merely brought before it to obtain an expression of opinion on the subject.

36. Under what particular clause of the Act did the sale of this block take place?—The sale took place by virtue of the powers contained in the Otago Waste Lands Act.

Mr. Reid.

7th August, 1872.

37. Was it not sold under the provisions of the Gold Fields Act?—No.
38. Had you any correspondence with the purchaser prior to the sale?—Yes.
39. Did you make a suggestion to him about the purchase of the land?—I certainly did not suggest to him to purchase the land.
40. Have you got the correspondence with you?—No, I have not.
41. When did he surrender the lease?—Before the application was made for the purchase.
42. How long after the surrender of the lease was the purchase made?—The purchase has not been completed yet.
43. *Mr. J. C. Brown.*] But the deposit has been paid?—Yes.
44. *The Chairman.*] Have the Waste Lands Board sufficient power to cancel the sale?—Yes, if valid and substantial reasons for such a course are shown; it would require very strong reasons before they would be likely to adopt such a course.
45. If substantial reasons were shown?—I can't say what the Board may do.
46. Who are the members of the Waste Lands Board of Otago?—Messrs. Thomson, Hughes, Duncan, Cullen, Allen, and myself; I think that is all.
47. *Mr. J. C. Brown.*] That is, the members of the Board at the present time?—Yes; Mr. Allen was not a member of the Board when the application was received.
48. *The Chairman.*] Was it quite possible for any other person to have purchased this land?—Quite possible, if they had been able to pay the price.
49. Before the land was sold, was there any public advertisement or public intimation made by the Waste Lands Board that the land was open for application?—There was no advertisement, but there was public intimation at the Waste Lands Board that applications would be received, and I believe the proceedings of the Board were published. Its meetings are open to the public.
50. Did you take any evidence as to the nature of the country before agreeing to sell it?—We took no evidence; we took the report of the Surveyor, copies of which I now produce, together with a plan of the ground.
- (The report, together with the plan, was deposited with the Committee.—Appendix D.)
51. Cargill and Anderson's lease of 64,000 acres accrues from the Crown?—You will find that information by referring to the Blue Books.
52. In reply to other questions put by the Chairman, the witness said,—I think that Cargill and Anderson have got two runs, but I am not sure. The only evidence we had respecting the ground was the report furnished by the Surveyor. He received instructions to report. These instructions are before the Committee. I know the Traquair Hundred. I do not know that they are much rougher than this land is; I do not think they are. On the contrary, I know that they are much better adapted for occupation than this land is.
53. What is your reason for saying that they are much better adapted for occupation than this land?—Because the Traquair Hundreds are well supplied with bush, and the valleys there are not a succession of rock-bound gorges. Moreover, they are very convenient to Dunedin and the fertile district of Taieri.
54. Are you aware that there is a great conflict of opinion in Otago as to what is agricultural and what is pastoral land; and that the subject has been warmly discussed in the Provincial Council of Otago for the last four or five years?—I can't say that I am aware of any such conflict.
55. Has the question as to what constitutes purely agricultural and purely pastoral land not been warmly discussed?—It has.
56. Is not this the second case of large blocks of land having been sold without competition?—I don't know how many cases of the kind have taken place.
57. How many, to your knowledge?—I can instance the sales of the two hundreds proclaimed in 1870, comprising some of the best unsold agricultural lands in the Province. These lands, although all agricultural, and surveyed into small allotments of from 50 to 200 acres each, at a considerable expense to the Province, were purchased in large blocks, and went into the hands of the pastoral tenant. These were cases long ago before Southland became a separate Province. Large blocks were sold in that part of the Province.

Examination being resumed, the witness said that there was no clause in the Act to prevent the Waste Lands Board selling any area of land, provided the Board could agree with the pastoral tenant.

58. *The Chairman.*] Do you think that the pastoral tenants would have agreed to the suspension of their lease, unless they had been sure they would become the purchasers?—I do not think they would have permitted the suspension of the lease unless they were likely to become the purchasers. If they did, they would have been very foolish.

59. Are you acquainted with the gold fields of the Province?—I cannot say I am acquainted with the gold fields. I have passed through them.

60. Have you not observed that auriferous country is, for the most part, rough pastoral country?—My experience went to show that the valleys were usually, as instance Gabriel's Gully, Tuapeka, and Waitahuna Flats, and other alluvial workings.

61. Take the Wakatipu district for example: Have you seen the mining there; can you say whether it is the rougher description of pastoral lands that is used for mining there?—So far as I have seen, and as far as my information goes, it is in the valleys and plains that the mining is chiefly carried on.

62. To what valleys do you refer?—I refer to Blacks, Tuapeka Mouth, and gullies close by the Taieri, where I reside.

63. Do you not consider that the sale of land in large blocks on the gold fields is prejudicial to agricultural settlement?—It depends altogether upon what kind of land it is.

64. Do you not think the sale of a 20,000-acre block in a mining district is injurious to the interests of the place?—I cannot express an opinion on that point; it depends altogether upon the surrounding circumstances of the case.

65. Do you think that it is advisable to give the Waste Lands Board power to sell such blocks of land?—Yes. I do not see that it is objectionable. The most of these purely pastoral lands are of an inferior quality, with a term of ten years to run, and the rents received from them is a mere trifle compared with the amount received for the purchase. Mr. Reid.
7th August, 1872.

66. *Mr. Luckie.*] The interest on the purchase price, you mean?—Yes, precisely.

67. *The Chairman.*] What is the total amount of pastoral rents?—£68,000 at present. That is an approximate estimate.

68. Do you think that it is good policy to deprive the public estate of £68,000?—I do, if we can save a great deal more in interest.

69. In your dealings with pastoral tenants do you not find a great desire manifested on their part to purchase long narrow strips of land, in order that they may secure the back country belonging to their runs?—I do. That is only natural. The pastoral tenants, as men of business, endeavour to make the best bargain for themselves. It is for those who are dealing on behalf of the Province to see that they are not allowed to obtain land in such a way as to prevent the profitable occupation of the unsold lands.

70. Do you not think that it is to the interest of the Province and the Colony at large to prevent sales of land in such a form?—I do not admit that this land has been sold in such a form. I think it is to the interest of the Province to make the best bargain it can in order to dispose of the purely pastoral lands and retain those lands which are fit for agricultural settlement, so that they may be sold on a system of deferred payments, with conditions of occupation and improvement, instead of allowing the best agricultural lands to be sold and pass into the hands of large purchasers, as in the case of the Crookston.

71. Do you not think that this purchase by Cargill and Anderson of a long narrow slip was made to secure the back country?—I do not admit that they purchased a long narrow slip, and I wish to understand what is meant by the term "secure."

72. *The Chairman.*] Taking up the valleys and frontages to rivers, so as to prevent settlement from taking place or roads being made.—I wish to answer the question as put by the Chairman. My reply is, that it is impossible that Messrs. Cargill and Anderson can secure the back country in the manner mentioned, because, as regards roads, it is a part of the condition of every sale of unsurveyed land that the Government reserves as many roads through it as may be considered necessary to reach the back country in all directions, where a road can be made or is likely to be required, and the Surveyor has instructions to that effect. As regards valleys, I am not aware that this particular block contains anything that could be called valleys—in the report before me they are termed "rock-bound gorges;" and, judging from the map, there are very few streams. The back country in this case is secured to the pastoral tenant for at least ten or twelve years by his lease. The same officer reported on the block sold to Mr. Clarke. I do not know that the sale of that block was strongly opposed by the inhabitants of the Province. It was very strongly opposed by the people of Roxburgh. I do not think it was similarly opposed by the people of Lawrence; but I am not aware. The suspension of the lease was consented to by the Otago and Southland Investment Company. They were consenting parties, being mixed up in some way with the title of the run.

73. *Mr. Luckie.*] You say the Roxburgh people opposed the sale. On what grounds?—I do not know, unless it be that they objected to any land being sold in their neighbourhood. I am not able to say that Cargill and Anderson relinquished their lease in the expectation of getting the land in fee. I should think they had that expectation. They applied to purchase.

74. Would not the consent to a suspension or commutation of the lease be a precedent to that intention to purchase?—It might.

75. Practically speaking, then, they obtained the land without competition?—If any other application had been lodged the same day before 4 o'clock, it would have been necessary to submit the land to competition.

76. What opportunity was then given to the people for getting information of what had been done?—I think it was on Monday that Cargill and Anderson gave their consent to the surrender. A meeting of the Waste Lands Board was held, and that consent was minuted. On Wednesday the matter came up again before the Board, when it was resolved to consider the application next day. If any other application had been received before 4 o'clock on that day, it would have been dealt with on the same footing. The whole business was transacted at the open meetings of the Board, and the proceedings were reported in the newspapers.

77. Such a course, so far as competition was concerned, was practically next to valueless?—Certainly there was very little probability of competition under the circumstances. I do not believe there would have been competition for this block of land in any case. In support of that opinion, I may instance the fact that very superior land, after being open for competition, was sold at the upset price in the district closely adjoining.

78. Do you think that it is wise to denude the Province of land in this fashion?—It depends on the quality of the land.

79. Do you think that it is wise to prevent competition, for in effect that is the course adopted?—Oh, no. I do not think it is wise to prevent competition; but, according to our Land Act, the land cannot be put up to auction unless two applications are lodged for the same land on the same day.

80. Is it wise to denude the Province of land in that fashion?—All the circumstances must be taken into account. If the land is free from occupation, and can be offered for sale, by all means let it be submitted to competition; but when it is of a purely pastoral character, and held under a lease for a term of ten or twelve years, and it is let at a merely nominal rental, I think it is better to sell at 20s. per acre, even without competition.

81. There is evidence before the Committee to show that the gold fields question crops up. Do not certain water races taken from the river pass through this property?—All water races, either already constructed, or marked off at the time of the survey, are reserved. I have to say further, in regard to the purchasers of this block, that I have received a letter from one of them, saying that they

Mr. Reid.

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do not object to any water races. In fact, they suggest that power should be taken in the Bill to carry these races through pastoral country, without compensation.

82. Allusion having been made to the price realized by this block, Mr. Reid said that superior land, adjoining schools, roads, and markets, had been open for the last six years, and was now open, at 10s. per acre.

83. *The Chairman.*] Where?—The Waikouaiti, Blueskin, Hawksbury, Moeraki, Otepopo, Oamaru, Dunedin, East Taieri, West Taieri, Waihola, North Tokomairiro, South Tokomairiro, Waitahuna, Pomahaka, Popotunoa, Wairiki, East Clutha, and West Clutha Hundreds, have been open for sale for the last six years.

84. *The Chairman.*] How far is the nearest of these lands situated from Roxburgh?—I can't say.

85. In reply to a remark made by the Chairman regarding Mr. Clarke's purchase, the witness said that he believed the land was run up in price for the purpose of "salting" it on Mr. Clarke.

86. In reply to Mr. Studholme, the witness said that, in the matter of survey, a considerable saving was effected by selling in large blocks. The survey price of small blocks was always more costly than that of large blocks.

87. *Mr. Studholme.*] Do you think the land in question would have sold to better advantage in small blocks?—No; I do not think it would have sold at all in small blocks. I will illustrate that opinion by the case of a block of very superior land opened upon the gold fields, and which we were told would sell at a very high price, yet when the land was offered for sale not an acre was purchased. There was no competition.

88. *The Chairman.*] What land was that?—A block opened on White's run, in the Wakatipu district.

89. Have there been no applications for that?—It was advertised for six weeks, and the last information I had on the subject, no application had been made to purchase.

90. Who recommended that land for sale?—The representatives of the district in the Council. Mr. Robertson was one, and there were others. I attribute the absence of applications to purchase partly to the fact that residents on the gold fields object to the system of selling. They prefer taking up land under the Lease Regulations.

91. *Mr. J. C. Brown.*] Are you aware that there has been a demand for land in this neighbourhood?—I am aware that a desire has existed that land should be opened in this district for agricultural leases, under the 16th section of the Gold Fields Act, and have endeavoured, so far as the present law will permit, to meet that demand.

92. No land has been thrown open for lease for the last ten years to my knowledge.—I think there must be some mistake: There is the Moa Flat Block, the Island Block, what is known as the Shingle Block, and also the block on Miller and Henderson's run.

93. Is Cargill and Anderson's Block not equally good for settlement to any other blocks that have been thrown open?—No; I would not say that it was equally good for settlement. I would not say that it was fit for settlement at all. I take the report of the Surveyor, upon whose judgment I have every reliance.

94. What acreage of blocks have been opened for settlement in that district?—Some 7,000 or 8,000 acres; I think about that, but really I do not like to give evidence on this point; it is a matter of fact which can be ascertained.

95. How many acres have been taken up, to the best of your knowledge?—About 3,000 or 4,000 acres. I cannot say positively, but shall be happy to obtain information for the Committee, if desired.

96. How long has Block 3 been surveyed and thrown open?—Probably between eight and twelve months.

97. Is it open for settlement?—No; not quite. There is a case pending in the Supreme Court about it. Some questions arose regarding the power of the Government to cancel leases over these blocks, and it was agreed that the decision of the Judge on one should rule all the others.

98. *The Chairman.*] How long has the case been pending?—For upwards of twelve months.

99. *The Chairman.*] Is it not nearer two years?—The leases were cancelled about January, 1871. It was first taken up by Mr. McLean, and we were threatened by Messrs. Cargill and Anderson's solicitors with an injunction, unless we agreed to stand by the decision of the Court in that case.

100. *Mr. Brown.*] So this land has been prevented from being settled upon through the action taken by Cargill and Anderson?—Yes.

101. What is the extent of this block?—2,500 acres.

102. In reply to other questions put by Mr. Brown, the witness said that one corner of this block is immediately adjoining that of the 20,000-acre block.

103. Is the 2,500-acre block suitable for agricultural purposes?—It has been taken for these purposes.

104. Is the Shingle Block fit for agricultural purposes?—I do not know of my own knowledge; I have heard it described as being too dry.

105. What is the extent of that block?—I think 2,500 acres.

106. *The Chairman.*] What rental do Cargill and Anderson pay for their 64,000 acres?—For 1870-71 the assessment amounted to £727 6s.

107. Does that represent any portion of the frontage to the river?—The frontage to the river is reserved.

108. How much compensation did you agree to pay Cargill and Anderson for suspension of their lease?—Two shillings per acre.

109. How much for survey?—The amount provided for by the Waste Lands Act; that is, 10 per cent., in land. The amount depends upon the value of the land.

110. What was the selling price?—It sold at 20s. per acre.

111. What was the cost paid for Clark's survey?—I do not know.

112. Is it not a fact that it cost 7d. per acre?—It may be.

113. Do you say that the people on the gold fields object to purchase, and prefer taking up land under the Gold Fields Lease Regulations of 1866?—Yes; I say that they prefer taking up land on lease. They do not seem to desire to purchase in the first instance.

114. Is it not a policy of the Gold Fields Act, not to sell land for a period of three years, in order to decide whether it is auriferous or not?—I do not know that it is in order to decide that question.

Mr. Reid.

115. Was not the sale of this block entirely opposed to that policy?—I am not aware which clause of the Act this policy is contained in. 7th August, 1872.

THURSDAY, 8TH AUGUST, 1872.

Hon. Captain FRASER, M.L.C., in attendance, and examined.

Hon. Captain Fraser.

8th August, 1872.

116. In reply to the Chairman the witness said,—I am a Member of the Legislative Council of this Colony. I am interested in several runs situated in the Electoral District of Dunstan, Otago. I am very well acquainted with the gold fields of Otago. I know the Roxburgh district, as also Cargill and Anderson's runs. They are situated on both sides of the river.

117. Do you know the 20,000-acre block lately purchased by them from the Waste Lands Board?—I have never been upon the ground, but I have been within one or one mile and a half of it.

118. You are, however, acquainted with the locality of the purchase?—O, yes; I never pass through a country without observing it carefully, and I must say that I am astonished to learn that no part of the block sold has a less elevation than 1,000 feet, as the town of Roxburgh is little more than 300 feet above the level of the sea. [The latter part of the reply was made in allusion to a report from the "Geodesical and Inspecting" Surveyor, to the Department of "Lands and Survey, Otago," to which the attention of the witness had been called.] The witness continued—I am surprised to learn that the land outside the line indicated on the survey plan now produced occupies the elevated position set down in the report.

119. What is the character of the land between the line indicated (on the map) and the river?—It is of very little value indeed.

120. In your opinion, is it auriferous?—It may be auriferous, but for agricultural purposes I would not be inclined to give 5s. per acre for it.

121. Then, for agricultural purposes, you consider the land adjoining the river to be of very little use?—The land immediately adjoining the river is most decidedly inferior in quality.

122. What part of the block do you consider the best?—The best portion of the land is situated upon the slopes.

123. Do you consider that the sale of this 20,000-acre block is calculated to lock up the back country?—In as far as it is a frontage to a particular tract of land, I believe it will have that effect.

124. It will practically give possession of that country to the purchaser?—Yes, I believe it will have that effect.

125. Will it have the effect of preventing hundreds from being declared?—Yes. In my opinion it is a great mistake to sell blocks of land in zones parallel to large rivers; they should always be sold in vertical sections. I have all along held that the good land should be made to sell poor land.

126. What will be the result to the gold fields if the policy of selling land in 50,000-acre blocks is insisted upon?—It will have this effect: the gold miner will be required to pay a royalty to the purchaser.

127. Will it have the effect of checking mining enterprise?—I should say it would.

128. Would it not have the effect of preventing prospecting: do not the runholders object to holes being dug upon their runs, as the sheep are liable to be lost in them?—At present they cannot do so; a miner can prospect on any part of a run.

129. Apart from that, do not runholders object to their runs being broken up for prospecting purposes?—Most decidedly they do. Why, I know some runs in the Dunstan district that were perfectly honeycombed with prospectors' holes, and each hole contained the remains of one or two dead sheep.

130. Therefore it is the interest of the runholder to prevent prospecting on his run?—Certainly it is.

131. In selling the runs, then, the Government gives the runholder power to consult his interest in this respect, and prevent prospecting?—Certainly.

132. In that respect, then, these sales are calculated to check mining enterprise?—On the land sold, yes, of course.

133. What proportion of the pastoral country of Otago is included in the gold fields?—It comprises a very large portion of the gold fields.

134. In your opinion, is it not a dangerous power to place in the Waste Lands Board; I mean the sale of these blocks?—As at present constituted, it might be dangerous.

135. Is the Roxburgh district not considered a very warm, sunny valley?—I should say it is almost one of the best in that respect in New Zealand.

136. Are you aware that the people of the district are very anxious to get land thrown open for settlement?—Yes; that is my impression.

137. Are you aware that a great outcry was made by the inhabitants of the district against a large purchase made by Mr. Clarke at Etrick?—I believe there was.

138. *Mr. Luckie.*] What facilities do you consider are necessary for miners desirous of settling upon the land?—The agricultural lease system has been taken advantage of to a very large extent, and eventually, I believe, it will come to absorb every other system of settlement on the gold fields.

139. *The Chairman.*] Do you think the policy of selling large blocks of from 20,000 to 50,000 acres, without competition, an objectionable one?—I think all the land should be proclaimed for sale in small blocks.

140. If proclaimed under the present regulations for one month, and thrown open to public competition in smaller blocks, do you think that it would be likely to fetch a higher price?—I believe it would.

141. In reply to a question put by the Chairman, the witness said that he was not acquainted

*Hon. Captain
Fraser.*

8th August, 1872.

with the Wakatipu district. He knew the Clyde, Dunstan, Cromwell, and in fact all the country between the Wanaka and Naseby. He was interested in several runs in the Dunstan and Cromwell districts.

142. *Mr. Studholme.*] Are you acquainted with the agricultural land in this block?—No. I am of opinion that all land in the Otago Gold Fields under 1,000 feet may be considered agricultural land, if not too rocky nor too steep. In the report furnished by the Surveyor, Mr. McKerrow, to the Department of Lands and Survey in Otago, he states—"The front line of the block will be about 1,000 feet above the sea level and the back line over 2,000 feet; the whole area being of a general elevation between these two altitudes." That is very indefinite. However, all I have got to say is, that I learn for the first time that the altitude of this land is anything like 1,000 feet.

143. Do you know Mr. McKerrow?—All that I know about him is, that there was a lake discovered by Dr. Hector called after him, which should have been called after Dr. Hector.

144. Do you consider 20s. an acre the value of the land?—I would refuse to give it. I would be very sorry to give £20,000 for this block, unless collateral advantages were to be gained by it.

145. *The Chairman.*] Such as the back country?—Yes.

146. Had the land been sold in vertical blocks, do you suppose it would have brought the same price?—No; I do not think it would have sold at all.

147. Whether is the back country inferior or equal to the front?—I can't say; but it is always my opinion that good land should be made to sell the bad.

148. Do you know that all the land in this district is more or less auriferous?—I know the district to be auriferous.

149. And is it not quite possible that a lead of gold may be found at any time running through this block?—Yes, quite possible.

150. *Mr. Studholme.*] Would it be possible for the Government to sell land of this particular character in small blocks?—At a late auction sale, small blocks situated on the other side of the river were disposed of, Mr. Clarke being purchaser of the whole.

151. What prices were obtained?—I heard that £2 per acre was realized.

152. *The Chairman.*] In your opinion, is this sale injurious to the Roxburgh district?—Of course Clarke's purchase must be prejudicial.

153. *Mr. Luckie.*] If the land is 1,000 feet high in the average, would that not tend to prevent agricultural settlement in small quantities?—The men who would buy are men located in the district, and who combine agricultural and mining pursuits together.

154. *Mr. O'Neill.*] The miners in this district are in the habit of making water races for a long distance, are they not?—Yes.

155. Would the sale of large blocks not interfere with these operations?—Yes. When I was Acting Superintendent, so much was I impressed with the necessity for protecting these water rights, that I got the whole of the watershed of the tributaries of the Molyneux included within the gold fields.

T. L. SHEPHERD, Esq., M.H.R., in attendance, and examined.

*Mr. T. L. Shep-
herd.*

8th August, 1872.

156. I am a Member of the House of Representatives, and have been a Member of the Provincial Council of Otago for the last six years. I consider the policy of selling large blocks of land on the Gold Fields, without compensation, to the pastoral tenants, or to any one else, most disastrous to the interests of the gold fields and of the Colony, both as regards agricultural settlement and mining. In the first place, blocks would naturally be selected by the pastoral tenant in such a form as to secure large tracts of back country, as has been done by Messrs. Cargill and Anderson. I do not think that they would purchase these blocks of land at 20s. an acre, unless they believed that it would be required for agricultural purposes. There is no doubt but that the pastoral tenants have been induced to buy these blocks in order to prevent hundreds being declared. I consider the agricultural leasing system the very best system for the gold fields. The Wakatipu is one of the most thriving of the gold fields districts in Otago, in consequence of the Agricultural Leasing Regulations in force there, and free selection, with grazing rights over the unoccupied portions, being in operation there. Had that district been sold in large blocks to the runholders, it would have been covered for the most part with sheep, where farms and extensive settlements now exist. I consider that the sale of large blocks of land will prevent prospecting for gold, and thereby prevent the development of the auriferous resources of the Colony, as it is very much against the interests of the runholders to permit prospecting or mining on their purchased land. I consider the sale of this block to Messrs. Cargill and Anderson will be prejudicial to the interest of the Teviot district, especially in consequence of 50,000 acres, situated on the opposite side of the river, having been sold in one block to Mr. Clarke. I am aware that a great demand for agricultural land exists in this district. I consider the Waste Lands Board, in selling large blocks of land in this way, is acting against the spirit of the law, although not its letter, as the clause under which the sale takes place was passed to enable small farms to be acquired on the gold fields with the consent of the pastoral tenant. Mr. Reid, in his evidence, stated that a large block of land had been sold to Mr. McKellar. The circumstances of the case are different from those of the sale made to Messrs. Cargill and Anderson. McKellar's run was thrown into the hundreds and surveyed in small blocks, and advertised for sale. The public had an equal chance of applying for any section in that hundred with McKellar. No one applied but McKellar, and the consequence was McKellar carried off the best land in the hundred, he having applied just before 4 o'clock on the first day the land was legally open for selection. If the law remains as it now is, there is nothing to prevent the Waste Lands Board selling all the waste lands of the Crown situated within the gold fields of the Province of Otago to the pastoral tenants. This power, in my opinion, should be withdrawn, and the intention of the Act given legal effect to, and no sale should be permitted to any one person beyond say 500 acres. There are, so far as I know, only two cases on record of land having been sold in large blocks without competition—namely, the sale to Clarke, and the sale of 20,000 acres to Cargill

and Anderson. I notice that it has been said that land at a certain altitude, say 1,000 or 1,200 feet, is unfit for agricultural settlement. From my own knowledge, this statement is not correct. The Wakatipu district, which contains land at an altitude of from 1,000 to 1,200 feet above the level of the sea, grows the finest wheat in the Colony. It consists of slopes, of hills, and table land. The land sold to Cargill and Anderson is of a warmer nature, the climate being one of the best in the Province of Otago, and far superior for the growth of cereals to the Taieri and Tokomairiro Plains. The following extract from the Bill reported from the Waste Lands Committee makes provision for lands similar to those sold to Clarke, and Cargill and Anderson, being sold at 10s. per acre instead of 20s., as is at present the law:—

Mr. T. L. Shepherd.

8th August, 1872.

“Without the consent of the lessee, provided that any general lands which shall be reported by the Chief Commissioner of Crown Lands and the Chief Surveyor as being of a hilly or mountainous character, of the altitude above the level of the sea of not less than 1,200 feet, unsuitable for agriculture and adapted for pastoral purposes only, may from time to time, upon recommendation of the Superintendent and Provincial Council, be offered by the Board for sale by public auction at an upset price of 10s. per acre, in the manner and under the conditions prescribed in the 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, and 84th sections of this Act inclusive: Provided always that when such lands are held under lease, they shall not be offered for sale until the lessee has given his consent by a surrender of his lease of the same.”

After allowing for survey and suspension of the lease, this provision will enable the runholder to purchase the land for about 7s. per acre. If that becomes law, I believe all the runholders in the Province of Otago will desire to purchase their runs. The loss to the Provincial Treasury of Otago will be the revenue at present derived from the runs. Sixty-five thousand pounds per annum will be swept away, and the mining interests will be seriously injured, and agricultural settlement arrested. The land chiefly worked by miners is what is called purely pastoral country, and the proceeds of the sales will I expect, as in the past, be nearly all spent in the more settled districts. Not £500 of the proceeds of the 50,000 acres sold to Mr. Clarke has been expended in the Teviot district, nor do I think that it is proposed to spend £500 of the proceeds of the sale to Messrs. Cargill and Anderson within that district, although the land was situated within it. This I consider most unfair—destroying a district by selling the lands situated therein in large blocks, and spending the proceeds in the settled district where they have less need of assistance. I would not say that it is the interest of the pastoral tenants to purchase their runs if they were sure of retaining possession of them under their leases. It is the fear of hundreds being declared that induces them to purchase.

157. *The Chairman.* You have referred to the land in the Wakatipu district. What is the character of the land in that district?—There is a large proportion of it very mountainous; more so than in the Teviot district.

158. You say it is not to the interest of the runholder to encourage prospecting on his purchased land?—Yes. My reason for saying so is that the miners in working the ground leave holes, and the sheep are apt to be lost in them.

159. Do you know the Clunes district, Victoria?—No.

160. I have been informed that ground which was originally sold by the Crown at £1 an acre is realizing a large annual income from mining?—It is a quartz mining district.

161. Does that not go to prove that it is not to the interest of the purchaser to prohibit prospecting?—It does not. I think that is altogether an exceptional case, and I don't think it can be made to apply to Otago.

162. You say that there is a great demand for agricultural land in this district. Are you aware that some land was lately surveyed and opened up, and no offers were received?—The block of land to which you allude was quite unsuitable for settlement, being chiefly shingle and rocky ground, and should never have been thrown open for agricultural purposes. The people asked for bread, and they had offered to them a stone.

163. In selling these lands, do you think the Waste Lands Board of Otago acted against the spirit of the law?—Yes; and I think the Attorney-General's opinion on the point is perfectly clear.

164. Were you in the Provincial Council last Session? If so, are you aware the estimated expenditure was more than that of the previous year?—I was. Larger sums were voted for expenditure than the estimated revenue, which is the usual thing, the Council invariably voting more money for expenditure than the estimated revenue.

165. Did Mr. Reid, in his statement, mention that fact, and point out that the proposed expenditure was greater than the income, and that, therefore, he could not carry out the proposed works unless more money was supplied?—The way he put it to the Council was in effect this: You have voted large sums of money for the public works of certain districts, which we are unable to execute unless large blocks of land are sold, and the proceeds spent in your district. To which the majority of the Council said: We will authorize you to sell large blocks of land, not exceeding 50,000 acres, for the financial year, to execute works in our district. I was one of a minority who voted against the sale of large blocks. It was clearly understood that the land was to be of inferior quality, purely pastoral country, and that it would not be allowed to interfere with the gold fields or agricultural interests. I understood that no land, either of an auriferous or agricultural character, was to be sold. The witness added,—I think that it is prejudicial to the interests of the Colony to alienate Crown lands, unless population and settlement are secured by such sales. I am opposed to the alienation of Crown lands for mere revenue purposes.

166. *Mr. Murray.* What extent of land did the Provincial Council authorize the Executive to sell upon these conditions?—The aggregate was 50,000 acres this year.

167. Mr. Reid has said that the Government might, without the consent of the Council, dispose of any number of these blocks. Do you think the law permits them to do so?—[The question was objected to and not pressed.]

168. Are you aware of any land belonging to Clarke's run being sold by auction?—Yes.

169. How much did it realize?—It realized an average of 33s. per acre, and I can say, from my

Mr. T. L. Shepherd. own personal observation, that that land was inferior to much of the land included in Cargill and Anderson's purchase. I consider the sale most disastrous to the interests of the Province and the Colony, even although £2 per acre had been realized from the sale, much less 16s., which I believe was about the net price obtained for it.

8th August, 1872.

FRIDAY, 9TH AUGUST, 1872.

- Mr. Anderson,*
9th August, 1872.
- Mr. EDWARD ROBERT ANDERSON in attendance, and examined.
170. *The Chairman.*] I am a member of the firm of Cargill and Anderson, runholders, Otago. My firm were purchasers of a 20,000-acre block of land, being a portion of the lands comprised within Run 199, Teviot district. I am generally acquainted with the land comprising this particular block.
171. What extent of agricultural land is comprised within that block?—There is not more than 200 acres fit for ploughing situated in any one part of the block. In the whole block there may be 1,000 acres of good land—by that I mean level land.
172. Is that all the agricultural land contained in the block?—So far as soil is concerned, fit for cultivation, there is more, but it is not situated on the plains. It is situated on the hill sides, and from its situation, although the soil may be good, it cannot be ploughed.
173. How much do you think of this class of land does the block contain? I mean the land you refer to as having good soil, but not situated so as to be fit for ploughing?—There may be two or three thousand acres of that class of land.
174. Does any portion of this block contain auriferous land?—I am not aware of its being auriferous. I should think not. Since the gold fields first broke out, in 1862, it has been pretty well prospected. At one time there was a pretty large population at work on the banks of the river. When the river got up, they went throughout the run looking for gold. They sunk a great many holes about the gullies and spurs, but I never heard of them getting any prospect sufficient to induce them to continue working the gold out of the land.
175. Are there any water races running through this block?—All the water races are got out of the Teviot. I do not exactly know whether there are any taken through this particular block or not. There may be one running through the block on the south side of the Teviot Stream, but there are no others in the block.
176. Your firm occupies two runs in that district, don't they?—Yes.
177. What extent of acreage do you occupy inclusive of the 20,000 acres; I mean, the acreage of both runs?—In Run 199 we have got 60,000 acres, and in the Mount Benger run, No. 369, we have 35,000 acres.
178. Are these lands adjoining each other?—They are divided by the Clutha River.
179. Is there any difficulty between your firm and the Waste Lands Board about this 20,000 acres?—No, not that I am aware of.
180. Are you willing to have the boundaries of this land so varied as to shut out the 1,000 acres of agricultural land?—That would be an impossibility. There may be 50 acres of it here, and 20 acres there. It is not all situated at the one place.
181. In what proportion is the agricultural land to the situation of the block?—I do not know. I included the whole block when I said that you may find 1,000 acres. I do not indicate any particular spot.
182. Have you been over the whole run?—Yes.
183. Is this 20,000 acres the best portion of your run? Do you consider it the most valuable portion of country contained in it?—Yes, I consider it valuable country, from the fact that it is well sheltered, and also on account of its boundaries.
184. Then you consider it the most valuable portion of the run?—No, I would not like to go the length of saying that.
185. Are its carrying capabilities superior to any other portion?—No, I would not like to say so. I do not think they are. I look upon the Mount Benger run as having quite as good carrying capabilities.
186. Is there any portion of this run, the run in which the block of land is situated, beyond the snow line in winter?—Yes, the snow may lie on it. We call it dangerous country, from the fact that it is subject to snow storms. During a frost the snow does lie on it.
- [Allusion was here made to certain lines shown upon the plan produced by a previous witness (Mr. Donald Reid), but as these lines were not particularized, it is impossible to identify them with the report.]
187. In reply to a question, the witness said, I cannot tell what proportion of the block is situated within the snow line for this reason, that I do not know how far the line goes up. I have an idea that this line goes into the snow line.
188. How many feet is the snow line situated above the level of the sea?—From 1,500 to 2,000 feet. In the Province, however, I have observed that the snow line varies very much.
189. If this block had been sold to any one else, would the run have been as valuable; I mean would the back country have been as valuable?—It would be to the adjoining runs. I have had an offer from the adjoining runholder to buy it.
190. But would it be as valuable for any new runholder to take it up?—It would not be of any use as a separate run.
191. By the purchase of this 20,000 acres, then, you have practically secured right to the back country?—No. It is equally available from the other side; that is, down towards Baldwin's run.
192. Who first opened negotiation for this sale? Was it you or the Waste Land Board?—The proposal first emanated from us. Mr. Cargill was the first to propose the thing.
193. Did you agree to suspend the lease the same day you made application to purchase the block?—I do not remember the particular day.

194. In reply to further interrogatories by the Chairman, the witness said, "I think it was on a Monday that we agreed to cancel the lease. *Mr. Anderson.*

195. Was it the following day that you applied to purchase?—I am not very sure. I know we ran the risk of any one else applying within the twenty-four hours. 9th August, 1872.

196. Between the time you agreed to suspend the lease and the purchase, was the fact made public?—I do not know. I did not make it public.

197. No, of course not; you would have been very foolish if you did. But did the Government make the fact known?—I do not know whether the Government did or did not.

198. If you had thought that there was any chance of competition, would you have consented to a suspension of the lease?—I suppose that we would have been obliged. We ran that risk. We thought at the time that it was a great risk.

199. If all the runholders chose to purchase their runs, what effect would it have upon the mining and agricultural interests?—I think the sooner Government sells all the land the better. At the present moment there is an enormous waste of soil. When the gold was extracted, the purchaser would take care that the soil was returned again; instead of which, at present, it is all going away into the river. The sooner it is sold the sooner it will be properly looked after. It would be much better in the hands of private individuals than in the hands of the Government.

200. Is not this land much better than any Crown land within a radius of say six miles from Roxburgh?—There is similar land, may be better, in the Mount Benger run. Indeed the Mount Benger run is very similar to the land in this block, but it is steep and mountainous. Still, it is the same sort of soil.

201. *Mr. Studholme.*] Do you know what number of water races are taken out of the Teviot at present?—I think there are about five.

202. Is there sufficient water for any additional number of races?—No, excepting during the winter season.

203. In reply to a question suggested by Mr. Brown, the witness said that the Government was talking about erecting a dam, so as to augment the present supply.

204. *Mr. O'Neill*] Are there no creeks within the block that could be made available for increasing the supply?—The witness was understood to reply in the negative.

205. *Mr. Brown.*] What frontage has this block to the river?—Seven and a half miles.

206. Are there any miners working the banks of the river, along from Roxburgh down fronting the block?—There are no miners working the river more than half a mile north from the Teviot stream; at least when I left the station there were none.

207. Do you know if there has been a demand by the people of Roxburgh for land for settlement within the last say three, four, or six years?—They are always asking for it, but they wish to get it for nothing.

208. Is there any land taken up within say seven miles of the town of Roxburgh?—All the best land is taken up. It is no uncommon thing for parties to apply to take up land, and then not take it up. Mr. Mervyn did that with his allotment. From Roxburgh upwards the land has been taken up under agricultural lease from the Government, and a good many parties are settled on the land who pay nothing. When they ask us to be allowed to settle on the land we give them leave, provided it does not interfere with the working of the run.

209. In reply to other questions, the witness said—There may be about 1,000 acres taken up in the Mount Benger district. Within seven miles of Roxburgh there may be perhaps 3,000 acres altogether, for settlement purposes.

210. How much of this 3,000 acres is fenced in?—Well, I imagine the whole of it is fenced in.

211. How many families may be settled on this 3,000 acres?—I cannot very well say. I am aware that some parties who have taken up land in it reside in the Teviot township.

212. Do you think there are one hundred settlers?—No, I do not.

213. Well, then, fifty?—I should not think there were more than twenty. I only know the men; I can't speak about their families.

214. In answer to further questions, witness said that he knew Coal Creek. Under the miner's right, five and six acres were taken up. These miners' rights only allowed them one acre, but as a rule they are very good people indeed, and deserved every encouragement. When the river was down they mined, and when it was high they cultivated their plots.

215. *The Chairman.*] Do you think such parties should be encouraged to take up five acres, in order that they may cultivate them and settle down?—These purposes have been abused. One man, claiming to be a miner, has perhaps five or six miners' rights, and he takes up five acres for each right.

216. Are you aware the law only permits him to take up one acre?—They do it, whether the law permits it or not.

217. Is it not a fact that both sides of the river are locked up against agricultural settlement?—I don't say that.

218. Will you let the land for agricultural settlement?—The land is still open for people to reside upon it. We do not take it out of the country.

219. To *Mr. Studholme.*] Very few large blocks of land have been purchased in Otago.

220. *Mr. Sheehan.*] If the runs were to be cut up into small freeholds, do you think they would be bought; I mean to be cut up by the runholders?—I do not know much about the people purchasing the land, but I think the runholders would be disposed to cut it (the land) up. I know that on the Company's stations, they are thinking about leasing the property, with a purchasing clause. Mr. Hunter, the Company's manager, has gone home to get people out to take up the land, and settle the country.

221. Do you suppose that 8,000 acres is a reliable estimate of the agricultural land in the block?—I do not know where you would find 8,000 acres. I do not think you could plough up 200 acres of first-class land in any one spot. I have never looked upon it as being agricultural land at all. I consider it good pastoral country, solely on account of its shelter and moisture.

Mr. Anderson.

9th August, 1872. 222. Pastoral and agricultural country is not, I believe, very well defined in Otago?—A number of settlers look upon every piece of land as agricultural land, although they would not make use of it for that purpose.

223. Would it be possible to acquire large blocks of land without getting some agricultural land in it?—You could do such a thing; for instance, you might take land above a certain elevation.

224. It is not general to take up country above a certain elevation?—Very often the high lands have the best soil; for instance, in the case of the back of one of our runs, two or three thousand feet high, there is a flat of good country, but at that height it could not be farmed.

225. You have spoken of two or three thousand acres having been taken up on the opposite side of the river. How long has that been open for selection?—It has been open for selection since 1865 or 1866; at any rate parties have been settled since that time.

226. What area was opened at that time?—There was no area opened at that time. First one settled on it, and then another; and in 1867 arrangements were made with the runholder for the block.

227. What quantity of land did that arrangement with the runholder include; I mean the quantity for settlement?—From 2,000 to 2,500 acres.

228. Was it all taken up at once?—No. During the first two or three years not more than 400 acres were taken up; altogether about 7,000 acres on our runs have been open for selection, and I do not think there are above 2,000 acres of that taken up.

229. Then about four or five thousand acres are still unselected?—Yes, fully 4,000 acres.

230. What is the quality of this land that remains unselected. Is it good land?—Well, it is not good land at all. I consider it good pastoral country, but I do not consider it good agricultural country.

231. Is this 7,000 acres equal in quality to the 20,000 acres?—It is very similar.

232. Is it equally available?—It is equally available.

233. Is there any portion of the land not taken up equal to the best land in the 20,000-acre block?—I do not know.

234. Were the selections made of the 7,000 acres the best of the agricultural land in that block?—No. Some portions were taken up more on account of their position as regards the Teviot township than on account of the quality of the land.

235. Where do you usually reside?—I reside on the station.

236. Are you aware to what extent any demand for land exists which cannot be gratified; by the people in that district, I mean?—They are always asking for land, but when they get it they will not take it up. There is one man in particular who is always asking for land, and he has never taken up an acre yet, and I do not believe he ever will. If there were free selection, I am quite sure it would put an end to this demand.

237. Do you think there is sufficient land open to meet all the demands that really do exist for *bona fide* settlement?—I think there is quite sufficient for settlement, or for the people really wishing to settle.

238. Do you know Mr. Warden Borton?—Yes.

239. Do you think his opinion a reliable one?—Yes, I would consider it reliable.

240. In a report to the Under Secretary for the Gold Fields, he says,—“Some thousands of acres have been taken up under the Agricultural Leasing Regulations, and if an equal amount of good land were available, as much more would be taken up in the course of twelve months.” Do you think that opinion correct?—I do not interpret that as meaning land in the district. Were you to put up 10,000 acres, I do not believe you could find parties to take it up.

241. *The Chairman.*] Not find them if the land was suitable for agricultural purposes?—I think there is very little land in the place fit for agricultural purposes.

242. Are you agreeable to surrender any land in the block that may be proved to be suitable for agriculture?—No, we do not wish to surrender any land in the block we have purchased, as we bought the good land with the bad, and taking out the good pieces would destroy the entirety of the block, as well as render large portions of the block useless.

243. *The Chairman.*] In a report by Mr. Warden Robinson to the Under Secretary of Gold Fields, he says,—“To enable the miner to work poor ground, it is essential that he should be able to live cheaply; but, unfortunately, in most parts of the district, living is still expensive. This is mainly attributable to the fact of there being scarcely any cultivation of the soil. In this respect the Mount Ida district stands at a singular disadvantage as compared with other districts of the Otago Gold Fields. While Tuapeka, Wakatipu, and Mount Benger are almost as much agricultural as mining districts, and the Dunstan can show a considerable area of land occupied in farms, the Mount Ida district has as yet been denied the great advantage of agricultural settlement. From time to time efforts have been made to get land thrown open for settlement under the agricultural leasing system, but hitherto without success. I of course except the land obtained by holders of runs under agricultural lease, which amounts to 3,381 acres. In the meantime it is to be feared that many persons who would have formed homes in this country have gone elsewhere to invest their earnings.”

244. *Mr. Luckie.*] In that report you will observe that a great scarcity of land is complained of. Do you consider the statement to be a reliable one?—I know nothing about Mr. Warden Robinson's district, as I live 100 miles away from it.

245. Again, you will observe that Mr. Robinson says in his report that miners have been compelled to leave the district on account of not having been able to get land?—It may be the case in his district, but miners, as a rule, are not anxious to invest in land, as their occupation is that of gold mining, and if they cannot obtain gold in one district they leave it and try their luck in another.

246. *The Chairman.*] Is there not a class of miners who, having made a little money, wish to settle down?—As a rule, these parties would much rather settle away at a distance from the gold fields. When they retire from gold mining, I have observed that they do not care about settling down near to the gold fields.

247. In reply to another question, the witness said,—The area of agricultural land is so small that, in my opinion, continuous settlement is an impossibility. That, at all events, is my idea.

248. Is not that a reason, then, that all the available agricultural land should be retained for settlement?—If it could be got continuous, but then it cannot. Fifty acres may be got here, and then you require to go a mile further on, and then perhaps you will get 100 acres more, and so on in that way.

249. A question having been put respecting grazing rights, the witness said,—That if plenty of grazing rights were provided, he did not think that the settlers would farm. Parties had told him that the hundreds system had done more damage than anything else.

250. *Mr. Sheehan.*] You have told us that these parties merely mine during certain seasons of the year. Would it not be wise to give them facilities for following agricultural pursuits during the remainder of the year?—During the time the river is up, we do not object to any one of them cultivating the land.

251. In answer to another question, witness said,—We charge 10s. a head for running cattle, out of which we pay the Government 3s. 6d.

252. In reply to *Mr. Sheehan*, witness said,—In Otago there was no such thing as free selection.

253. If greater facilities existed, would these parties take up large areas of ground?—I do not think so. It is not the miners who take up the largest proportion of the land; it is the hotel and shanty-keepers who take up the largest proportion of it.

254. *The Chairman.*] You say that at present the miners and others get the land so long as they do not interfere with the station?—Yes.

255. Do you think that there is sufficient permanency of title in that holding to induce them to erect fences and make other necessary improvements?—If you ask me to mention the best system for settling the gold fields, I will say at once free selection. By that means, all demands would be satisfied at once.

256. Would you have free selection as regards 20,000-acre blocks?—No; it might be limited to blocks of 500 acres.

257. Do you consider the sale of land in 50,000-acre blocks to be clearly in the interest of settlement?—It is more in the interest of settlement than by continuing it in the hands of the Government. It is better in the hands of men who understand settlement than remaining in the hands of the Government.

258. In reply to other questions, the witness said that these lands may yet be cut into small farms by the purchasers. In the case of the Island Block, a sum of £10 per acre was being spent by the runholder, and witness had no doubt but that the ultimate intention was the letting of it out to small holders.

259. *Mr. Brown.*] If this block had been open for selection as in the case of Tuapeka, to what extent do you think it would have been taken up?—Not more than 3,000 acres, and that not by people in the district. The remainder of the land, 17,000 acres, would have been used for grazing purposes.

260. *Mr. Sheehan.*] If this 3,000 acres had been taken up for settlement, what likelihood would there be of the remaining 17,000 acres being taken up by the runholder?—No likelihood at all. Where parties are dotted over a tract of country, sheep will not thrive on it.

261. *To Mr. Sheehan.*] In free selection, I would be in favour of limiting the acreage for the first three years, say, to 500 acres; afterwards they might be enlarged year by year.

Mr. W. A. FRASER in attendance, and examined.

262. *The Chairman.*] You are a runholder in the Dunstan district of Otago, and you have resided on the gold fields for many years?—I have been on the gold fields for the last ten years.

263. Do you think that it is to the interest of the gold fields to sell large blocks of land to one party; I mean blocks of say twenty to fifty thousand acres?—It depends altogether upon the character of the country.

264. Country similar to that of Cargill and Anderson?—If the country contains any considerable portion of agricultural land, I should say not.

265. What would the effect of such sales be on the mining interest?—As regards the mining interest, it depends altogether whether the land be auriferous or not. I do not think that it is good policy to sell the land if it is actually known to be auriferous.

266. *Mr. Sheehan.*] If a reasonable portion of the land was proved to be agricultural land, would it be wise to sell it in large blocks?—No; I hardly think it would.

267. *The Chairman.*] If only a reasonable portion of the land was fit for agricultural pursuits, say one-third or one-fourth, is there not a greater necessity that it should be kept for agricultural settlement?—Yes. I think that all the agricultural land in the country should be marked off upon the maps, and retained for the purpose of agricultural settlement.

268. *The Chairman.*] Are not the miners in the Dunstan district opposed to the sale of large blocks of pastoral land to the runholder, because they consider it to be against their interest?—We have got two classes of miners in the Dunstan district. One class follows mining only; the other takes up land and settles upon it. When the land is sold, it prevents them getting the facilities for settlement.

269. But the pure miner, is he not opposed to such sales?—For this reason, that it may be the means of preventing him mining on private property.

270. In answer to *Mr. Sheehan*, the witness said,—The sale to Messrs. Cargill and Anderson was of such a nature as to give them the absolute right to prevent mining on the land. He was of opinion that some reservation should be made, so that, in the event of such lands afterwards proving to be auriferous, the Crown might, on payment of compensation, resume possession of the land. The law should be so stated that, as far as practicable, both the mining and agricultural industries might be enabled to go hand in hand. In the event of a sale taking place, it should be concluded so as not to prejudice the mining interest.

J. C. BROWN, Esq., M.H.R., in attendance, and examined.

271. I am well acquainted with the block of land under offer to Messrs. Cargill and Anderson. I consider the quality of the land to be on an average equal to other lands in that district. Similar

Mr. Anderson.

9th August, 1872.

Mr. W. A. Fraser.

9th August, 1872.

Mr. J. C. Brown.

9th August, 1872.

Mr. J. C. Brown. land has been taken up in the district for agricultural settlement. Although all the land may not be fit for ploughing, it is nevertheless good grass land for cattle grazing, such as I consider indispensable for the purposes of successful settlement. To construct water races from the head of the Teviot and tributary streams, it would be necessary to carry them through this particular block of land. There are, to my knowledge, valuable water rights running through the block. I am also aware that, at the present time and for years past, numbers of miners have been profitably engaged in working the banks of the river fronting this block. These river workings are of such a nature that the miners can only work during the winter season, say four or five months, when the river is low. I am also aware that a number of miners in that locality have for years been desirous of taking up land, with the view of not only making a home, but also of providing employment for themselves, and reducing the cost of living during the summer months. Wherever land could be got, this has invariably been done, and has resulted in a good deal of settlement. I have known miners, many with families, being compelled to leave the district from being prevented from taking up land. They were desirous of taking it up under the agricultural leasing system; some of them could not compete with the runholder for it at auction, they went away disgusted. Had the lands been thrown open, the miners would have been induced to settle upon them. The residents in the district have been petitioning the Provincial Council time after time for the last seven years, asking that land might be thrown open for settlement. The only blocks that have been opened are—1st, The Shingle Block, containing about 2,000 acres, and situated on Run No. 199. For that block only two or three applications have been made, on account of its being wholly a bed of gravel, with scarcely any soil upon it. The next block thrown open was upon Run 369, also in the occupation of Cargill and Anderson. It was not, properly speaking, thrown open for settlement. A number of people settled down in the early days on this particular land, and the Government was in a measure forced to give them a title. Arrangements were accordingly made between the Government and the runholder, so that the land could scarcely be said to have been thrown open. I allude to Coal Creek. About 1,000 acres are occupied and cultivated by the miners, who have erected comfortable homesteads on this block. The necessities of the district compelled the people to settle on this land. At Speargrass Flat a settlement has also grown up. This is also on Cargill and Anderson's run. At Speargrass Flat there is something like 1,000 acres of land under occupation and cultivation. A much larger quantity would be taken up if the runholder did not interpose difficulties. I have known instances where parties have resided on land for a number of years, and have requested the Provincial Government to give them a title. The Government expressed their willingness to grant them a lease, subject to the approval of the runholders, Messrs. Cargill and Anderson, who, when applied to by the Government, refused their consent, preferring to purchase it themselves, these parties having resided there several years prior to the date at which their application was made. The last block thrown open (2,000 acres) was done at the urgent request of the inhabitants, supported by their representatives in the Provincial Council. It was surveyed into 50-acre sections, and proclaimed open under the 16th clause of the Gold Fields Act. Cargill and Anderson immediately wrote to the Government, stating their intention of resisting the proposal to throw it open under the 16th clause of the Gold Fields Act, and threatening, unless the Government withdrew the Proclamation, to apply for an injunction restraining them. This occurred eighteen months or two years ago, and since then nothing further has been done towards throwing the land open for settlement. Cargill and Anderson lease two runs in this locality, comprising 99,000 acres, and having a frontage to the river of about thirty-five miles. The main line of road from Tuapeka to Clyde and the Lakes passes through these lands. The people have taken up all the land that has been opened in the district suited for agricultural settlement. The 2,000 acres referred to above would also be taken up, but the Proclamation still remains in abeyance. Out of 6,500 acres opened for settlement, 4,500 acres have been taken up, which, I may state, comprises all the good land within the blocks open for settlement excepting the 2,000 acres previously referred to. On the adjoining run, that of W. J. Clarke, a block of 2,500 acres was thrown open, and I think not more than 200 acres remain unselected. This block is nearly all under cultivation. On both Cargill and Anderson's runs, and Moa Flat, the settlers are not allowed to run cattle except by permission of the runholder. For this permission Clarke charges 20s. per head per annum, and Cargill and Anderson 10s. In my opinion, the absence of depasturing rights prevents land from being taken up, and acts as a bar to settlement. Cargill and Anderson have always refused their consent to have their leases cancelled over any portion of their run except under the 33rd section of the Gold Fields Act, which makes no provision for depasturing rights.

272. *The Chairman.*] Do you know the block of land on McKellar's run, lately declared into a hundred?—Yes.

273. It has been urged that as there was no competition for this land, that that is evidence that no demand for land exists. Can you explain about this sale, how it was that there was no competition for the land?—I can. In cases of this kind when land was thrown open for sale, if only one application were put in, the Government always caused a second application to be put in for the whole block, in order that the land might be put up to auction, and prevent large tracts of country passing into the hands of one purchaser. In the case of McKellar this was not done; so McKellar, being the only applicant was declared the purchaser without competition.

274. If that land had been sold by auction, do you think it would have brought a higher price?—I have no doubt but that a large portion of it would have brought 30s. per acre. At all events I am safe in saying from 25s. to 30s.

275. If that land had been put up to auction, would it have passed into the hands of a number of small purchasers?—Yes. I know a number of small purchasers who would have bought up portions of it.

276. Then, in your opinion, the fact of the land having been all purchased by McKellar is no evidence that a demand for land does not exist?—None whatever. I resided for some time and have property in that district, and am acquainted with the wants and desires of the settlers.

277. Will the sale of these large blocks be injurious to the gold fields or not?—In the gold fields,

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.

Mr. Hallenstein. very well. Free selection, however, with a compulsory improvement clause, and a license to depasture on certain blocks, would, in my opinion, be the making of this country. Nothing would tend more to create population. In fact, that is the only way to settle this country.

300. Do you know the town of Roxburgh?—Yes; in coming down I passed through that district.

301. What is your opinion of the place?—I was very much pleased with it. It contains a number of substantial stone buildings, and the inhabitants seem to make themselves at home. It has all the appearance of being a permanent place. The settlers take great interest in the affairs of the district, which has all the appearance of being a prosperous one.

302. Do you know if they were in favour of the sale of the land in large blocks?—I did not ascertain that.

303. Do you know the large block of land sold to Messrs. Cargill and Anderson?—It was pointed out to me.

304. *Mr. O'Neill.* I observe that the snow line in the Wakatipu district is very high?—Very high, though we have snow in winter sometimes on the low lands.

305. In reply to a question suggested by the Chairman, the witness proceeded to say,—We consider the best crops are grown on land covered with snow in winter.

306. *Mr. Studholme.* Do you consider the block of land in question equal to the land in the Wakatipu district?—I could not say. I should think that the slopes of the hills were quite equal. Still, I could not take upon myself to say definitely, having only passed through the district.

307. Is there much flat land in the Wakatipu district?—Yes; but the hilly land is often found to be the best.

308. What is the character of the hilly land to which you allude. Is it sloping?—Yes, gently sloping sides.

309. Is the weather as a rule finer and the temperature higher than it is as a rule found to be in the lower districts of Otago?—I have not had much experience of other parts of Otago. I am aware that the climate is much finer than that of Southland. It is certainly the finest climate that I have ever lived in. I have heard that it is much warmer than on the sea coast. Such plants as melons and vegetable marrows grow in the district.

310. What sort of soil is there in the Wakatipu district?—It is a very fair soil.

311. Is there a large extent of flat land in the district?—There is, considering the general character of Otago.

312. Are you a large landholder in that district?—Yes; I hold considerable portions of land in the district.

313. Do you find the land perfectly suitable for growing cereals?—Yes, I do.

314. Did you purchase your land under the leasing system?—I purchased it from parties who had taken it up under the leasing system. I also bought some direct from the Crown at auction.

315. What extent of land did you purchase at auction?—I bought about 500 acres.

316. What price did you pay?—From £4 to £5 per acre. It was very superior land.

317. What was the character of the land you bought from the leaseholders?—It was very similar, and I paid a similar price for it.

318. In your opinion, is the land at the Wakatipu quite equal to any land in the Province?—I believe that by some the land at the Taieri Plains is considered superior, but I believe that our climate is the best, and that makes up for any difference.

319. *The Chairman.* Were you induced to give this high price for the land in consequence of the district being largely settled by miners?—Yes; and a general population too.

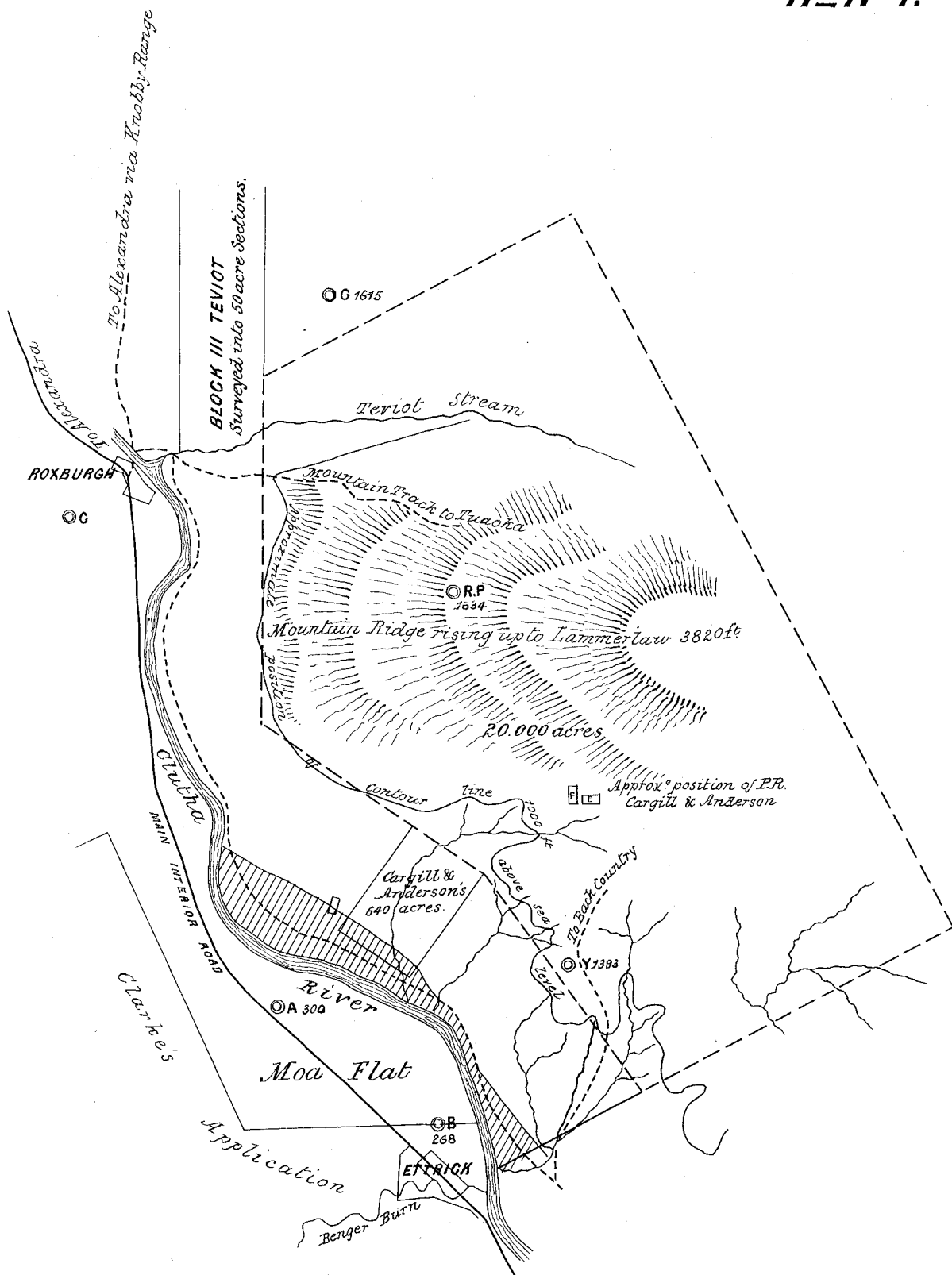
320. Do you consider land on the freeholds adjoining the workings of the miners to be very valuable on that account?—Yes.

321. The effect of the miners working in the neighbourhood of Roxburgh, then, is to make the land more valuable?—Of course it must.

322. Supposing the miners left the Wakatipu, would the land maintain its present value?—No. I do not believe that its value in that case would exceed 20s. per acre.

323. Is there a great deal of hilly country in the Wakatipu taken up under the Leasing Regulations?—Yes.

324. *Mr. Studholme.* Is it not a fact that really good land in any part of the Colony is worth £2 per acre for pastoral purposes?—Yes.



REFERENCE

 indicates Flat Land consisting of light gravelly soil.

