

these people full valuation for their improvements, and also permit them to become re-selectors. This plan would undoubtedly meet the case of the petitioners, but it is open to the very grave objection that you are tampering with the law to meet what is really only a temporary and incidental difficulty. Once you break the law there is no law at all, because the very next difficulty that arose, either with the deferred-payment selectors, with the tenants of the Crown, or with any one who had entered into contracts with the Lands Department, would be quoted as a precedent why the terms of their contract should be broken. We now come to a proposal which would obviate the breaking of the law; which would be just in its principles, and at the same time practicable. The proposal is to declare the present deferred-payment selectors in arrear defaulters, and simultaneously revoke the Proclamation classifying these lands as deferred-payment lands. The status both of the deferred-payment settlers and the land would be altered: the defaulters would become, in the language of the Land Act, occupants, and the land would then be open to be dealt with as land of special value. If this were done, the Government would then have the improvements of the settlers carefully valued, and also the prime cost of the land.

4. *Mr. Macandrew.*] What do you mean by the prime cost?—What the land is worth without any improvements.

5. The inherent value?—Yes; it could then be offered by public auction as land of special value, and if the occupier could make arrangements to raise money so as to buy the land, he would still remain in possession; but if he could not make such arrangements, and another person bought the land, he would then have to retire from his occupancy, but with the full value of his improvements paid over to him. But, as would certainly happen in many cases, neither the occupier nor an outsider would purchase; the occupier would then become merely a squatter at the will of the Government. Such squatters, as well as the whole body of defaulters, would, under the wise administration of this scheme, have many months' time given to them—probably until next harvest—before the Government would think it expedient to bring this into force. In other words, the matter could be so administered that the settlers who are now in difficulties would have ample time, or a considerable time at all events, to recover themselves, and that will save any tampering with the law whatever.

6. *Mr. Thomson.*] Do you think there would be many sections remaining unsold in the event of these lands being put up to auction in the way you indicate?—I think there might be, because possibly there would be some difficulty in raising the money.

7. I think you have put the matter rather strong?—I desire to be cautious, lest my anticipations of the success of the proposal should miscarry. I would say, further, however, that those settlers who have done the most on their places would most easily be able to take advantage of the proposal of buying the land; for they would be able to raise more money, having better security to offer.

8. And be less liable to competition from outsiders?—Yes; they would be less liable to competition.

9. *Mr. Ireland.*] Would you kindly inform me in what position present holders would be in the event of the course you suggest being adopted; that is to say, if persons are declared defaulters, and the land sold by auction, in what position would they be as to taking up further deferred-payment sections?—They could not take up at all.

10. Not for the next century?—No; not unless the law was altered.

11. They would have to purchase freeholds in future?—Yes. I may add that the proposal should only be administered in favour of those people who have fulfilled the conditions of improvement and residence up to date.

12. *Mr. Macandrew.*] What are the average size of the holdings?—About 200 acres; some run as low as 30 acres, and some as high as 320 acres.

13. Do you think that your suggestion as to the area of the sections should be maintained?—I think so.

14. *The Chairman.*] Do you think the statement in this petition from F. W. Reichelt and others is correct—the part which says, “That as a class we have expended from £300 to £2,000 each on our lands, so as to make it give returns equal to the high rents agreed, and these moneys having drained our resources, to the great advantage of the land, which must now become forfeited to the Government and turn us out in a penniless state on the world”?—I believe the majority of them will have expended £300; a few may have effected improvements up to £2,000.

15. *Mr. Ireland.*] Still the statement has some truth in it?—Yes; I have thought the thing over, and I am most careful not to brand these people with the name of state-paupers. I desire to see a way opened up that will be quite honorable both for the Government and the settlers to follow.

16. *Mr. Macandrew.*] A man might be able to acquire the freehold of 50 acres and not of 300. Do you offer facilities for reducing the area?—I do not think that would work well. Take the case of the people above Tapanui on the A Run. There might be a section containing 200 acres which would be all good land, but it is in ridges. The flats on the ridges are suitable for cultivation, but the sides and gullies are fit only for pastoral purposes. It would be difficult in such a case to cut out a portion; besides, the people will never get on in these backlying districts unless they keep sheep and cattle. Two hundred acres is as little as they can get on with. I will give you an instance. There is a settler there—I forget his name—who works a farm of 400 acres with his son-in-law. Each of them took up 200 acres. It takes them all their time to meet engagements, and I know that they had considerably over £1,000 to begin with; but, with oats at 1s. a bushel, and many miles of a hilly, muddy road between them and the Waipahi Railway-station, their only resource now is their sheep and cattle. Then, take the country which Mr. Ireland represents. In the Chatton District people could not get on with 50 acres. Further, you would require a re-survey. I do not think the plan would work well.

17. *Mr. Fulton.*] Are these men who are deferred-payment settlers, as a class, much in debt?—In debt to the Government?

18. Apart from that?—I know the case of a very honest man who is £500 in debt. The security is his honor, and I know he is struggling bravely to meet his engagements.