

purchase it. They, however, have the right to take up a pre-emption of 320 acres, an area equal to the maximum allowed under the agricultural leasing system. Some shopkeeper, say in Clyde, can lease a run of 4,000 acres, and may go to live in England if he likes. But he can, notwithstanding, take up his 320 acres pre-emptive.

17. Supposing that a man had a five thousand acre hill-farm, of which three hundred or four hundred acres are available for agriculture, and the rest for grazing, is there no provision by which he could obtain the fee-simple of the whole?—No.

18. Unless he resides upon the land?—Unless he resides.

19. What is the objection in your mind to the present agricultural lease system?—It is a very suitable system for miners and shopkeepers who wish to improve a piece of land but do not wish to reside upon it. But, I may tell you, that its actual working out in Otago has been frequently this: two or three people get up a petition and worry Government into cancelling the lease of a portion of country. Government has to pay heavy compensation for fencing and grazing rights, which comes to, perhaps, five shillings per acre. After the liability for compensation has been incurred, and the land surveyed, a collusion takes place among applicants by which the whole of the land is arranged for, and one man or a company gets it all into one holding. It is a mere farce which is enacted. Government goes through all the paraphernalia of minute surveys, advertising, Proclamations, lithographing of plans; and the upshot is that one man gets a very nice little sheep farm in the midst of Crown lands—gets it, too, to the detriment of the surrounding country—because it is invariably the best land that is operated upon. That does not instance an isolated case.

20. The deferred-payment system: That system has not been abused. You would be surprised to hear that some have a thousand acres of agricultural land under the deferred-payment system?—Yes, very surprised indeed.

21. How were the Wakatipu and Tuapeka Districts settled?—The land was generally surveyed before settlement; it was settled under the agricultural leasing system. These districts are the two best examples of settlement under the agricultural lease system; but in the Wakatipu District the agricultural land got into several large estates. The Wakatipu District has been very successfully settled; yet there has been a great deal of collusion between parties who never wished to settle there, but lent themselves to others who wished to acquire a good-sized farm. I think it is desirable that residence should be insisted on in those smaller areas.

22. Now, with regard to the disposal of those large tracts of country for pastoral purposes—tracts of 20,000 or 30,000 acres—do you not think residence should be demanded there?—I do not think so.

23. Only on the smaller pieces?—Only on the smaller pieces, where people have the privilege of extending payments over fifteen years.

24. *Mr. Ballance.*] Is this dummyism to which you refer carried on to any considerable extent under the agricultural lease system?—Very considerably. There is an amalgamation afterwards of two or three sections into one.

25. What is the maximum extent of these amalgamated holdings?—It depends upon the arrangements people make. There is a notable instance I have in my mind, in which an area of about 2,500 acres is worked as one farm; it is agricultural land, and is farmed very well, too. A great deal of expense has been put upon it. I do not think, in this particular case, it was a very bad thing; because great improvements have been made, and much money expended on the land; but, when you speak of the agricultural lease system, I object to the present system with its minute sectional surveys. Better a system that if a man wants a farm of 2,500 acres he can get it right off.

26. But are these instances numerous?—I could mention five or six notable cases in which the land is held in areas of from 1,000 to 3,000 acres.

27. Who has generally got this land—the runholder?—In no case the runholder. Yes, I can recall a case or two in which the runholder is reputed to have got it.

28. What quantity of land has been set aside under the pastoral deferred-payment system in Otago?—About 100,000 acres, up to date, in areas of from 700 to 5,000 acres. From what I know, as to how the lessees are getting on, they are doing well; but it is scarcely time to pronounce upon the success or non-success of the system. Their payments are made up to time. They are making improvements, though improvements are not insisted upon. They reside, to my personal knowledge, in some cases upon the land. They have to reside upon the land within six months of date of license, and I have no doubt they comply with that condition.

29. What class of men are they?—They are sons of old settlers, old settlers themselves; and I know one who is a contractor. It is impossible for most of them to go in for agricultural pursuits, the land being hilly; but if they had some lower land I have no doubt they would go in for agriculture.

30. How does the system of pastoral deferred-payment leasing suit, with regard to keeping down the rabbits?—I think it will suit very well; because you will get more population on the country, and have more people interested in suppressing the evil.

31. Do you think that would be a solution of the rabbit difficulty?—It would, where country is suitable for pastoral deferred payments. The limit of five thousand acres prevents the application of the pastoral deferred-payment system where the mountains are very high. Speaking of the rabbit difficulty suggests a very important point in the consideration of this question of dealing with the runs. Every acre in the country should be, if possible, in the occupancy of some person, who should be held responsible for the carrying-out of regulations that may be issued for keeping down this pest.

32. In your memorandum on runs, you do not make a reference, such as you did in last year's Crown Lands Report, to the necessity for giving fixity of tenure?—The document before you is merely a memorandum, which proposes to give effect to the law as it exists.

33. You have changed your opinion regarding necessity of fixity of tenure?—No.

34. Do you think it desirable?—That is a matter for the Government. I think it very desirable.

35. What is the present position?—The leases are for ten years; but the tenant is subject to eviction at any time upon twelve months' notice. That is an extremely unsatisfactory position for the tenant. He does not feel that he can make improvements, for there is no compensation for improve-