

manner, together with the name of the place where such applications must be made and the day on and after which such applications will be received, and such advertisement must be issued at least six months before the day on which such applications can be first received."

With regard to the first portion, the fixing of the rent, that is according to the present law. As to the notifying by advertisement, that is a detail; but there is a very important change proposed in the latter part of the clause, and that is, that the runs shall be taken up by application. The present law is that they are to be sold by public auction to whoever chooses to offer for them. The change from auction to application would be a most material one. As to advertising six months before applications can be received, while I think the utmost publicity should be given in dealing with the pastoral estate, I think six months is much too long a period, because considerable changes might intervene in that period, and it might be thought desirable to alter the conditions and price, and then a new advertisement would have to be issued, and I presume another six months to elapse before applications could be received. In the administration of the runs this would be found to be most inconvenient. I would point out that in Otago the runs have to be sold at least twelve months before the expiry of the existing leases, so that if you are to advertise six months before that it would mean that the Land Board would have to decide with regard to these runs at least eighteen months before possession could be given. I should think two months would be quite long enough in any case. Hitherto the practice has been that nothing has been sold or leased until after at least thirty days' notice has been given. Section 4 reads:—

"4. No applicant shall at any one time apply, directly or indirectly, for more than one run; and no holder of a run shall be entitled to apply for a run under the terms of this Act."

The object of the first part of that is of course to prevent one man from holding more than one run. But as to the last part of the clause my interpretation of it is that every one of those forty-eight run-holders in Otago whose runs are to be dealt with in February next would, if this Bill becomes law, be debarred from applying again for their runs, or, indeed, from applying for any run; in other words, it would mean that they would have to quit the business of sheep-farming. I cannot think that such is intended, and possibly my interpretation is wrong, but that is what I think would be the effect of the words. I think we may assume that it is not intended, but that the present lessees should have the same right of application as others. Section 5 is as follows:—

"5. When more applications than one are made on the same day for the same run such applications shall be disposed of by ballot."

This is certainly a very great step in the way of change, and it is one I should say at the outset, without any reservation, would be a most mischievous one, and would go far in my opinion to ruin the profitable pastoral occupation of the country. My reasons are these: we now have a tenantry who paid the State last year £183,000 in rent. The export of their wool and other produce is now nearly of the value of £3,000,000 a year. I state these two facts to show the great importance of this pastoral industry. Then there are very large establishments in the way of woolsheds and all the apparatus for working the country. Very valuable flocks have been got together, after great trouble and expense, and, when the next term comes for the reletting of these runs, those persons who are now in the occupation of them, however willing they may be to continue in the occupation of the country, of which probably they have a more competent knowledge of how to work to advantage than other persons can have, yet these lessees, who have invariably met their obligations to the State without giving trouble, are to have the destiny of their flocks, their property, their skill—indeed, all their future career—determined by the mere accident of drawing a ticket from a bag. It seems to me that the proposition is very absurd, and would be most detrimental in its effects if it ever became law. Moreover, the Land Board is to fix the rent of the country. The members of the Land Board come and go. They can only have a very general knowledge of the country and of its relative values. The total area of the pastoral runs in Otago is over 6,000,000 acres. Even with the very best intentions of getting all possible information from the Survey Department and other sources, it will be manifest that the valuations of any Board, however intelligent, under such circumstances must be necessarily somewhat wide of the real value of the country. And when men do find themselves in such a position as that, they would naturally fix a low price, one presumably under the value of the estate, so that their administration would insure its occupancy. The Otago Land Board, a few months ago, had to deal with upwards of 2,000,000 acres of pastoral country. The department suggested an upset price, and the Board added 10 or 20 per cent. to that price. The total upset rent which was advertised was in round numbers £35,000. Had the ballot been in operation that would have been the rental the country would have obtained for these 2,000,000 acres. But it was put to auction, and was taken up by persons most substantial in their means, persons well able to pay the rent they have agreed to pay, persons skilled in the management of sheep. In fact all the present lessees except three bought again, there being eleven new men; and instead of the £35,000 rent, which the country would have got under the ballot-system for these runs, there was paid into the public Treasury in March last £69,000. And I may say that, had the country been divided in a more intelligent manner, in my opinion a still larger rental would have been obtained. Then there is section 6:—

"6. The license shall be for such term not exceeding twenty-one years as the Land Board shall fix, and shall be determined at any time in manner provided by "The Land Act, 1877," if the Minister of Lands shall be of opinion that the whole or any part of the land therein comprised is required for the purpose of being opened to the public."

The proposal to give a lease for twenty-one years is one I very strongly approve of. I think the present lease of ten years, which is the maximum under the Act of 1877, is altogether too short. One of the effects of it is virtually to go a long way towards giving the present lessees possession of the land in perpetuity. It enables them to hold the land against all comers in a manner they could not do if the lease was for a longer term. The reason is this: Stocking the runs is a very large enterprise, and few persons care to engage in it for a short term of years, more especially as the lease may be