

15. *Mr. Brown.*] Are you taking it at the present value?—At the London January value. I may explain that if the reported rise took place at the close of the last sales in London, my opinion is that it would bring back prices to about what the January prices were.

16. *Mr. Macandrew.*] You are taking the January prices?—Yes, I am taking the January prices. I do not know that I have anything more to say in reference to this run, known by the official number as “200.” Then there is run No. 223. That is owned by two young men who came out here and served their apprenticeship on some of the other runs, and then got their friends to assist them. They bought the Glassford’s run. Of course, I can only estimate the revenue this year in the same way that I have done in respect of the other station; the charges and outlay are based on the actual results of last year. They shear about 35,500 sheep: the revenue on that, based on 8s., would come to £5,500. The surplus sheep, owing to their having 2,000 acres of freehold, a considerable portion of which is cultivated, gives them as a return a good deal more than an ordinary run. I estimate the stock, store and fat, would be about £1,500. That makes a gross revenue of £7,000. I may mention that the Government rent, which is £3,450, is not entirely on this run. There is a portion of land adjoining the run included in this run. There is a portion of this rent payable to the adjoining proprietor. But it is really all payable to the Government. Cost of management, rates and taxes, and cost of rabbit-killing amount to £3,792. It will be seen that the revenue is short of the expenditure by £242, to say nothing of interest on an invested capital of £27,750. The calculation of these young men went on a basis of 4s. 9d. per fleece for the wool, and they calculated they would have to pay 6 per cent. on the money advanced, which would leave them a surplus of about £2,000 a year. I can vouch for that, because one of these young men is my nephew; the other is a friend of his. It was upon my advice that they bought this run. The result shows not only a loss of interest, but a deficiency of £242. The interest on £27,700 would be about £1,665. I may state that this run is in the same position as most of the other runs about there. You cannot separate the run from the adjoining freehold.

17. *The Chairman.*] Have you excluded that from the loss?—No.

18. It is all loss together?—Exactly.

19. *Mr. Lake.*] Do you include everything in the total amount?—Yes, everything. I may mention that there are other cases, which will be brought before you, to show much worse results; for these runs that I now speak of are not what are called “rabbity” runs—whether it is because poisoning by grain was discovered in time to be applied before Runs 200 and 223 became infected I know not; but it is a fact that the country to the east of the Clutha River has never been so “rabbity” as that to the west.

20. *Mr. Lake.*] What would be the approximate value of the freehold?—About £4 an acre. There is a considerable portion of it under cultivation. The fact is that this land, like the land adjoining many runs, was originally taken up upon deferred payments, and the persons who took it up got tired of holding, and they sold to the runholders.

21. What is the total area?—58,320 acres.

22. *Mr. Macandrew.*] The rent is £3,450: What should it be per head under the old rent?—It should be 7d. per head on whatever it carried. That would be about £1,035.

23. At 7d. a head?—Yes; £1,035, at 7d. a head.

24. *Mr. J. C. Brown.*] So that rent was one-third what it is now?—It is nearly three and a half times as much now.

25. *Mr. McKenzie.*] When did they buy?—Shortly after the lease was sold; they took possession in November, 1883.

26. Did they buy at auction?—They bought privately from the Glassford trustees.

27. Were the Glassford trustees long in possession before these young men bought?—They had been in possession since about 1868.

28. They bought, and resold to these young men?—Yes.

29. The calculation you have given us is for one year?—Yes.

30. Last year?—I may mention that the year before that the net result was short over 4½ per cent. on capital.

31. And the year before that?—The year before that was a broken year; they had had it only a short time.

32. Did they give anything for goodwill?—They bought for a lump sum.

32A. Did they give anything for the lease?—No; there was nothing but the bare value of the sheep, and the improvements, whatever they were. Everything could have been sold off at that time. As a matter of fact I may state that they were offered a bonus after the purchase, but, after thinking over it, they preferred to hold on.

33. Is the country very “rabbity”?—The expense last year was only £200. The land has not suffered much in its carrying power; the capacity of the country is about the same now as it has been.

34. An improvement of 2d. in the price of wool would change this loss into a profit?—My calculation was that there was a loss of £1,900, including 6 per cent. interest on capital.

35. After paying all expenses?—Yes, after paying all expenses.

36. If the price of wool were 2d. more it would make up the loss?—That would be equal to 1s. per sheep; that probably would make good the deficiency.

37. The price of their sheep is better?—It is in excess of what most of those runs are; for having improved their freehold, they are able to sell the large bulk of their sheep fat. You may estimate that they would get £1,500 a year for surplus stock.

38. *Hon. Mr. Ballance.*] Was this prejudicially affected in any way by subdivision?—I think I can answer that by saying that the large runs were prejudicially affected by subdivision.

39. I refer to this particular run?—It was prejudiced in the same way as others, but some runs had not so much low lands with them.