

tenants were affected by these clauses. It has been stated by some of these petitioners that they were prejudicially affected.

*Hon. Mr. Rolleston:* They complain especially of the manner in which these runs were divided: that is by straight lines, in a way that anybody might have done, without taking into consideration the high and low country.

*The Chairman:* That is one of the statements. They also stated that they were prejudicially affected in bidding for these subdivisions; the manner in which they were marked off, and mode of the sale, producing a competition which would not otherwise have been the result.

508. *Mr. Macandrew.*] They allege these as good grounds on which to come to Government and ask for a rebate of rent. What do you say to that?—It is quite true the runs were subdivided, but not as stated in the petition, without regard to the association of high and low country. The fact is, that was very carefully attended to. The Department in Wellington, assisted by their officer in Otago, mapped out a scheme of subdivision. This was submitted from the Department to the Land Board of Otago; but the Land Board subdivided the runs considerably more, and, apparently to the Department, not wisely; so that there are some grounds for the statement that the runs were unwisely parcelled off by arbitrary lines. Coming to the question that unfair competition was induced by this subdivision, it is within my knowledge that this subdivision, instead of causing competition, prevented it; in this way: take the Dunstan country and the Lindis country, which are now let to Dalgety and Company—

509. *Hon. Mr. Rolleston.*] You mean the Morven Hills country?—Yes. That country was very carefully surveyed by the late Chief Surveyor of Otago and myself, both of us having an intimate knowledge of it, having gone over the whole of it, and having camped on it for weeks together at a time. We subdivided the country so that each run should be an entity in itself—in other words, so that each run should be well worth the attention of any sheepfarmer. We were particularly careful, knowing the country so well, its deep gorges and other natural difficulties, to have the boundary lines, if not natural boundary lines, at least fencing lines, running down the centre of the great mountain spurs; but the Land Board unfortunately, as I think, simply took a ruler and ran arbitrary lines across this country, entirely ignoring the recommendations made by the Chief Surveyor and myself which were approved of by the then Minister of Lands. The Land Board's objection, as I understand, was that it was absurd to offer runs in such large areas as 30,000 and 40,000 acres, they being of opinion that no run should contain such an amount of country. Now, as to the bidding—as to the effect of this on the bidding. One gentleman, who formerly was on the Morven Hills Station as sub-manager, called on me in Wellington on his way to the South to bid for these runs. On seeing the map of the country which was laid off for sale, and which he knew intimately, he at once said that he thought his journey would be in vain, because he pointed this out: that, as the country was parcelled off, no one portion could be worked profitably unless one had capital enough to purchase two or three of the adjoining pieces; that the effect of it would be this: suppose he wanted to go in for one of these strips of country, a powerful Company which possessed neighbouring country would be sure to outbid him for the adjacent strip so as, he said, to squeeze him out of it. However, he said he would proceed to Dunedin and see how the sale went on. He told me afterwards, as did also several other gentlemen who spoke to me upon the subject, and who were at the sale, that the effect of these "strips" was to throw the country into the hands of large existing runholders; so that the Lindis country was really obtained, although at some advance on the former price, at a less price than it would have been had the country been subdivided intelligently, as I think it was not. That is all I have to say about that.

510. *Mr. Macandrew.*] What word was it you used?—"Intelligently."

511. *Hon. Mr. Rolleston.*] Do these remarks apply to the Morven Hills country specially?—No, generally; but that is a special instance, and probably it is the strongest case. We had endeavoured to lay off the ground so that no run should be more than twice as long as it was broad. The length of some of these "strips," relative to their breadth, was enormous. Dalgety and Company consequently got the country at a lower price than they would have, had the country been better subdivided.

512. That is, they got them cheaper?—Yes.

513. *Mr. McKenzie.*] The Land Board was bound to cut them into areas of a carrying capacity not exceeding 5,000 sheep?—No, there is some dubiety about that.

514. They did not act on section 119?—They acted upon the principle that nobody was to get a large piece. I do not think they violated the law. Sections 114 and 115 of "The Land Act, 1877," gives power to lease runs of any area.

515. There is a special exception in regard to the Otago runs?—Not now; I am speaking as to the time of the passing of the Act, 1877.

516. *Hon. Mr. Rolleston.*] The object was to enable small people to get some of these runs?—That, I believe, was the object of the Land Board, but it defeated its own object from want of the requisite intelligence and knowledge how to give effect to it.

517. Was the cutting up the runs in that way more favourable to such people as Dalgety and Company?—I have just said so; that is my evidence. I think that, if the Land Board had so intended, they could not have contrived better than they did to hand over the country to the old lessees.

518. *The Chairman.*] Do you think there would have been more *bonâ fide* competition if the original proposal had been accepted?—Yes; bidders would have been on a more equal footing.

519. You say that you have been for many years intimately acquainted with that country; that you had had opportunities of knowing its physical features; that you had camped over it for weeks at a time, so that you had peculiar advantages in noticing its fitness for pastoral occupations or settlement?—Yes; and Mr. Arthur, who assisted in mapping out the subdivisions, surveyed a good deal of it.