

except twenty acres near Mullocky Gully, estimated to cost £100. The whole of the land is settled and paid for. Between Sutton and Middlemarch there are twenty-six acres to be bought, at a value of £300. The rest of the land we pay nothing for. It is nearly all Government land after we pass eight or nine miles, except the Burwood Run, which is a University endowment. We take 125 acres of that, valued at £500.

255. That is a high value?—It is, as I said, a University endowment. The University offered the land for nothing if we would fence it. The fencing would cost £1,900. It is therefore a question whether we should pay for the land or put up the fencing. Of course fencing will have to be provided ultimately.

256. *Hon. Mr. G. F. Richardson.*] If finished to Taieri Lake what return would you consider likely to be paid on the cost of construction?—Immediately it would be very small. It would be small for many years to come until settlement of the country took place.

257. Even in this grain-growing country about the Taieri Lake?—Yes. There may also be a good lot of wool brought down; but for a long time to come I should consider the return from the line small.

258. *Mr. J. McKenzie.*] Would it pay working-expenses?—It might pay working-expenses. There are some lignite deposits along the line, but it would not come down for some time.

APPENDIX.

A.

The SURVEYOR-GENERAL to the Hon. Mr. G. F. RICHARDSON.

Otago Central Railway Settlement Conditions.

I WOULD suggest that the following provisions be inserted in the contract with the company. They are, with slight modifications, the same as in the Third Schedule of the Wellington and Manawatu Railway contract.

1. The company, in offering agricultural or pastoral land for sale, shall fix the minimum price per acre not less than the valuation made in terms of "The Otago Central Railway Act, 1888." The price of town and village lands shall not be less than £20 per acre, and of suburban lands not less than £3 per acre.

2. All lands to be surveyed, mapped, and lithographed plans of sections published before being advertised for sale.

3. No sale of land shall be held until after thirty days' public notice of the time and place thereof shall be given in at least one Dunedin newspaper and in one local newspaper circulating in the district where the land is situate.

4. Sales of land may either be by auction, or by application receivable on a given day. In the event of more than one application for the same section of land on the same day between the hours of 10 a.m. and 4 o'clock p.m., the land applied for shall be put up to public auction, and the bidding at such auction shall be limited to the applicants.

5. Agricultural land to be surveyed in sections not exceeding three hundred and twenty acres each, with a practicable line of road marked off on the ground to each section; *and before sale an expenditure not less than five shillings per acre shall be made on the formation of roads to give access to the agricultural sections.*

6. Pastoral land to be surveyed generally, so far as the natural features will permit, in sections at least twice the depth to the breadth, the depth running back with the slopes of the hills. Where necessary to associate agricultural land with pastoral land for stock purposes, the whole to be deemed pastoral land.

7. Sites for towns and villages to be selected by the company along the line of railway, so that, with those already existing, there will not be a greater distance between them than twelve miles, excepting on that part of the line between Wingatui Junction and Middlemarch.

8. Governor to have the right of selecting free of cost in each town and village, whether on land acquired by the company as public grant, or by purchase from landowners, an area not exceeding three acres for post and telegraph offices, courthouse, police station, and other public buildings; also an area not exceeding five acres for a school-site. At cross-roads or other suitable places in rural districts Governor to have the right of selecting, free of cost, five acres for a school-site at distances of four or five miles apart.

9. The surveys of lands to be conducted on the New Zealand system of surveys, so that the plans, traverse reductions, and field-books may be conformable with the public survey records of the colony, from which the descriptions of title are taken.

18. All record surveys and classifications of agricultural and pastoral land to be subject to the approval of the Surveyor-General, or officer nominated by him.

29th May, 1888.

JAMES MCKERROW, Surveyor-General.

B.

Memorandum, &c., referred to by Mr. Blair.

The CLERK, Waste Lands Committee, to the ENGINEER-IN-CHIEF.

SIR,—

House of Representatives, Waste Lands Committee, 29th May, 1888.

I am directed by the Chairman of the Waste Lands Committee to request that either you or your representative will attend the sitting of the Committee at 11 a.m. on Tuesday next, 5th June, in Room I, to give evidence *re* the Otago Central Railway Bill. The Chairman also desires me give you on other side a summary of the points on which the Committee will be likely to require evidence from you.

I have, &c.,

HENRY D. O'CALLAGHAN,

Clerk, Waste Lands Committee.

J. Blackett, Esq., Engineer-in-Chief.