

15. Before you go into the matter further I should like to call your attention to one circumstance: that is, the position of the local bodies consequent on there being no settlement and no increase of revenue there?—They have suffered greatly, and I have made that one of my points. They have suffered inasmuch as they did not receive the “thirds” and “fourths,” which were distributed in considerable sums in all other districts. The sum total distributed to the Westland County in the shape of “thirds” was £42 2s. 11d. for last year to construct their roads with, while all the other districts received from £3,000 to as high as £5,000 each per annum.

16. Will you now take your own way of explaining the results and how you arrived at your estimates?—I take, first, the applications received at the Land Office for the two years from 1885 to 1887, and find, as I have said, that the number of applications was 138, for 11,736 acres. Then we had no applications until 1893. The Board came to the conclusion that, with the consent of the Government, they would give intending applicants an opportunity of getting their land under section 219 of “The Land Act, 1892.” This section gives no further right than the occupation, and at the end of three years the holder of the lease can be turned out without any allowance for the improvements he has made, but his fences may be removed. There is a provision in that 219th section that the lessee must step out at once when called upon to do so. I may, perhaps, be permitted to refer to the provision. The section provides:—

The Governor, on the recommendation of the Board, in the case of any pastoral lands, may from time to time until sold or otherwise disposed of give a temporary license, for a period not in any case to exceed three years, to graze over the land, at such rental as they may deem equitable.

Every such license shall be surrendered on demand to be cancelled in respect of so much of the land as from time to time shall be sold, selected, or otherwise disposed of, without any right to compensation on any account whatever accruing to the licensee, who, however, shall have the right, for such reasonable time as the Board may determine, to remove any temporary fencing he may have erected on such land.

It may well be understood that the applications under this section were very few.

17. *Mr. J. Allen.*] Was there no power of renewal?—No, there was no renewal. The license could be terminated at any time.

18. *Mr. Guinness.*] That is the law; what was the practice?—I do not know what the practice was. I am pointing out that these applications, which came in under section 219 of the Act, did not represent the number of applications which would have come in if the applicants could have got a better tenure. I am pretty sure that there would have been at least double that number. At any rate, from 1893 to the year 1900 the number of applications received under this 219th section was 207, and the area of land applied for was 24,597 acres. I say that there would have been double that number if the applicants could have got land under a better tenure; but, in order that I may keep well within the mark, I will assume that there would have been an increase of only 50 per cent., which would make in the fourteen years 760 applicants for 88,000 acres. In the first two years—1885 to 1887—there would have been 140 applicants for 12,000 acres, and in the six years—from 1893 to 1900—there would have been 310 applicants for 38,000 acres. It is reasonable to assume that in the interregnum—between 1887 and 1893—there would have been a similar number of applicants for a similar area of land, but during that period none were recorded. Therefore it is fair to assume that during the fourteen years there would have been 760 applications for 88,000 acres. Passing now to the revenue we have lost, I have proceeded in this way: there would have been 88,000 acres taken up in equal ratio over the fourteen years. This would be equal to half, or 44,000 acres, applied for in the first year. That, as far as revenue is concerned, would be 44,000 acres at 15s. an acre, or £33,000 which we should have received had it not been for this reserve. Of course, the land is still there, and we can sell it, but in the meantime we have lost 5 per cent. on the £33,000, or £23,100 for the fourteen years. This is the case only in regard to the ordinary settling of the land, but there is another aspect of the question, which I shall touch upon further on. Looking at the annual report, in regard to Westland, will give us an idea of the loss when we consider that during the present year the Commissioner of Crown Lands reports that the cash received was nil, that the applications granted for land with right to purchase were four, and that under lease in perpetuity 482 acres were taken up, equal to about three or four sections. The number of holders, then, under section 219 were 207, holding 24,597 acres. These are the whole transactions in Westland in connection with land for the whole year; whereas there has been, as I think I have proved satisfactorily, a loss of interest on capital value of the land we should have disposed of to the tune of £23,100 in the fourteen years. Now I come to the timber. The loss on timber also stands computing on a very solid basis. There are at present thirteen sawmills in existence in the Westland Land District, exclusive of Nelson and Canterbury. This is in the district from the Grey down to the Waiho. There are a number of sawmills on the other side of the county boundary, but I am dealing with the Westland Land District only. I submit that at the lowest computation at least five more sawmills would have been at work during the last seven years in the Westland District, and probably ten more if the railway had been constructed. As the output of these mills I reckon that they would turn out 50,000 ft. a week. There are some in my district which turn out 80,000 ft. a week, but I think the average is from 40,000 ft. to 60,000 ft. This gives 13,000,000 ft. per annum for the five mills, equal to 91,000,000 ft. for the seven years. The loss to the Government is this: the Government royalty during that time is absolutely lost. By referring to the regulations it will be found that the royalty is 2s. per hundred feet on silver-pine; on totara, kauri, and so on, 1s.; and on rimu and kahikatea, 6d.; but I take the 6d., so as to be on the safe side. On that basis the Government loss in royalty on the 91,000,000 ft. of timber would be £22,750. Of course, the timber, like the land, is still there, and we can operate on it, but we have lost all that sum during the period in which the land has been locked up. The actual value of this 91,000,000 ft. to the Government, assuming the selling price at 6s. the hundred feet superficial—and that is very low—would equal £273,000, which would have given employment to at least a hundred men, and would have greatly increased our revenue in connection with these five mills alone. I am quite sure that if the railway had been completed in the contract time the output might fairly be assumed to have been doubled, and the amount of money which would have been circulated would have been