

175. And it was then relet and the money paid to the man who held it for the three years without doing anything. How much did he get?—He got a refund of the full amount of the royalty that he paid.

176. He paid a royalty for three years and got it returned to him?—Yes. My contention is that the regulations should be administered justly. The regulations are very clear and distinct, and if a man does not show his *bona fides* and erect a mill and work his area his rights lapse without any forfeiture. They simply cease, and it should be distinctly understood.

177. Do you not think there should be some penalty besides if a man monopolizes timber land to the exclusion of any other settled worker?—I do not see that any penalty is necessary since he has paid a royalty for the privilege and he has not benefited by the privilege.

178. Do you think that that would be a sufficient punishment for a man who took up an area of that class and held it for years without doing anything?—Well, it is a pretty stiff punishment to forfeit royalty and fees paid. It is taken up in the hope that they will not be put off at the end of the three years, and therefore there is a lot of country held in dummy fashion. The regulations are not complied with, and yet the parties are not dispossessed.

179. Is that in Southland?—Yes.

180. There is another area you mentioned, No. 465, issued in January, 1905. What position is that in?—That is the area that I say has run its three years. There has been nothing done upon it, and it has been forfeited and relet to another party.

181. And what about the former area?—It is in the possession of the former party. He is still in possession: yet he has done nothing. He has held it for four years and going on for five. I might say that that obtains in a great many other cases. There is another case I know of. I think the area number is 467. A license was issued for it in May, 1904, and nothing whatever was done with the area, and in May, 1908, four years afterwards, it was applied for by another party, whose application was declined. This area is in State forest, and the original holder was given an extension of time in which to commence operations. He still holds it, and is working it now. He has absolutely no title whatever to the area; his original license has lapsed.

182. Are you aware if that applies to areas under the Land Board jurisdiction?—No, I cannot say that I am.

183. Then, you think the State-forest management is not equal to the Land Board?—It is hard to say that. Apparently it is not.

184. You would have no fault to find?—Practically there are very few applicants on Crown lands. I do not think there are any except in Grove Bush. I think I was misunderstood in saying that I was satisfied with the regulations.

185. That was more as to the area that was allotted?—No. What I wished to infer was that I am perfectly satisfied with the existing regulations if they are properly carried out. I think they are quite sufficient for all requirements in Southland, but I am not at all satisfied with the 1886 regulations and the manner in which they have been administered.

186. It is hard to deal with those, and I do not see that you can upset them?—It is a matter of interpretation. There is no right of appeal, and we say we should have the right of appeal to the Supreme Court.

187. *Mr. Hanan.*] That is in the old regulations?—All we ask is for that right. We are not satisfied with the administration of the 1886 regulations, and contend that they are wrongly construed. There is a very large area held at the Gorge Road, practically 4,000 acres. These areas are held under the 1886 regulations, and it is claimed by the holders that they possess a right in perpetuity—to lock up the land and timber in perpetuity if they so choose. Our contention is that the 1886 regulations give a limit of time within which the privileges granted to the grantee operate, and we contend that that time has long since expired. The regulations say that the area of a sawmilling license shall not exceed 200 acres, but that the licensee may apply for a reserve of 600 acres—that is, 600 acres in three 200-acre blocks. The time specified is two years for each 200 acres, but there is no time specified for the first area—that is, the original area. But the regulations say you can only hold one area at a time in connection with a sawmill license. The license, remember, is not for the area, but for the mill. The area is simply a portion of Crown lands allotted for the purpose of obtaining timber for the mill, and the regulations say you shall not hold more than 200 acres in connection with a sawmill. Therefore when you apply for a second area your first area is cancelled.

188. The Board hold an opposite opinion?—Yes; but what we contend for is that we should be able to appeal to the Supreme Court for an interpretation of the regulations.

189. *Mr. Hanan.*] Is there no appeal from the Land Board to the Minister?—No.

190. Can you give any reason for the fact that in the case of State forests the Minister should have the administration solely in his hands, whilst in regard to bush on Crown lands it is invested in the Board, subject to the regulations?—Yes, I can. We had a case recently in which we applied to upset certain areas in Crown bush in respect to Crown lands under the 1886 regulations. The result was that we gained our point, and the licenses were all upset. The Land Board then proceeded to deal with these areas, and they dealt with them in a way which I think was very unfair and unjust. The original holder, who had the enjoyment of his privileges, was regranted half of the original area, and the other was thrown open to public competition. The areas were all revalued. Those that were granted to the original applicant were valued at less than they were originally, whilst those that were granted to the public were all valued considerably above the original value. We think, therefore, that we ought to have a right to appeal to the Minister against such a proceeding, which we think is very wrong, and yet under the law we are compelled to accept it. These valuations were increased as much as 75 per cent. I may say that the areas were all valued by a surveyor in the first place, but they were afterwards revalued by a Crown Lands Ranger, who agreed with the surveyor in respect to certain areas, whilst he increased the royalty very considerably on others.