

approved by the Land Board in the district for which thirds and fourths apply. Supposing for argument's sake that fourths were given on the Midland Railway lands, the Land Board would have had to say where the money was to be spent. They must have it spent to give the most benefit to the settlers from whom the thirds and fourths are derived.

10. The people of the Ashley district would be quite willing out of general rates to road the balance, but they are only getting the Government subsidy. Seeing that the land is light, they have very little subsidy coming in, which comes much harder on them?—I quite agree that you cannot compare the rates derived from that class of country with the Manawatu land.

11. *Mr. Lang*] Is it not a fact that thirds and fourths can be spent on any portion of a road that is of benefit to the people who pay thirds and fourths, and not necessarily in front of their actual property?—Certainly, that is the point. Supposing the people on these lands are using a main road on which the Road Board wishes to spend money, the Land Board could say 'Yes, it is desirable that portions of the thirds should go to the main road.' That is what they always ought to do. The point always is to show that the settlers use it, and that they are deriving benefit from the road. Then it is a fair thing to allow a portion of the money to be spent there.

12. It is not always absolutely necessary to spend it on the road adjoining the property?—That is so.

13. *Mr. Anderson*] This land, before it was granted to the Midland Railway, was Crown land used as pastoral runs?—It was unselected, and not leased as pastoral runs.

14. The Boards got no revenue?—No. When it was given to the Midland Railway Company there was no provision in that Act for thirds and fourths.

15. There was no restriction upon taking up the lands?—In accordance with the value of the work done from time to time there were allowed to select blocks of land certified to by the officers of the Public Works Department.

16. Supposing a certain set of circumstances which had applied in other places, and the land had been dealt with in a different manner, the local bodies would have got their thirds and fourths?—Yes, on the supposition that the land was opened up in the ordinary manner. It is only a supposition. They never had any claim to thirds and fourths.

17. *Hon. the Chairman*] How much of the land set aside for the railway was not taken up by the company? Did they not take it up wherever it was saleable?—When the Government suddenly terminated the contract with the company all the land reverted to the Crown.

18. It was in the position that it was before they got it?—Yes.

No. 11

Mr. Forbes, on behalf of petitioners, addressing the Committee, said,—It is a very good thing we have been able to have Mr. Kensington here to give us the legal position. This claim was before the Lands Committee in 1902, and the result of the proceedings did not carry conviction to the local bodies who petitioned pressing it. They felt that it had not been gone into as fully as they felt it ought to have been. Mr. Kensington has given us the full history of the claim, and I am sure no one has the history of these ancient Acts so well as Mr. Kensington. It is good to have it placed before the Committee, so that the local bodies may see the grounds on which the Committee arrive at their decision. Apart from the legal aspect of the position, there is no question about it that it was a great handicap to these small local bodies to have such a tremendous area of back country, which they had to road without assistance. In the Financial Arrangements Act the principle is maintained of giving Road Boards a proportion of the moneys derived from the proceeds of the sale of Crown lands, thirds and fourths, to assist them in the roading of their district, and that principle has been continued right up to the present time. This is looked upon as a fair method of assisting in the roading of this country, and these local bodies on the fringe of the mountainous district of Canterbury are put to great expense in opening up roads. The taking out of their districts of such enormous areas as these endowments has crippled them. They were of opinion—there is no question of it—these local bodies felt they would in time get thirds and fourths, and it was a regular thunderclap when the whole of their countryside was taken from them. If it had been let on the small-grazing-run tenure, for which the great bulk of the country was suitable, the local bodies would have been entitled to thirds and fourths. Naturally they feel sore that this land has been handed over to the Midland Railway Company thus debaring them from getting any revenue from this land to assist in the cost of roading it. Mr. Kensington said it was within a radius of fifteen miles that the land was selected, but these districts are very much further away. Land taken in the Ashley County is forty or fifty miles away. The land in those districts evidently was the most suitable and valuable they could select at the time, and these local bodies have felt ever since that they have a grievance, and I feel there is no doubt they have a claim for some consideration, because of the fact that almost the whole of their territory was taken away from them. With the taking-away of it they are still left with the responsibility of roading it, and it means that the roads in this part of the country are of great length, through rough country subject to wear-and-tear from floods, and they have been struggling ever since. Apart from the legal aspect of the case, some consideration should be extended to these local bodies, and I am of opinion that this matter should receive the favourable attention of the Government, and that they have a claim for consideration. In justice to them something should be done.

No. 12

Mr. Witty, on behalf of petitioners, addressing the Committee, said,—I thank Mr. Kensington for the explanation of the position which he has given us so fully and clearly. I must say that, no matter what question you ask him in regard to the Department, he has it at his finger-ends.